



Utah

***ANNUAL
OPERATING AND CAPITAL
BUDGET***

(PROPOSED)

FISCAL YEAR 2013 - 2014



ANNUAL OPERATING AND CAPITAL BUDGET FISCAL YEAR 2013 - 2014 (PROPOSED)

**Prepared by Finance Department
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How to Use This Document Effectively

The budget document serves two distinct purposes. One purpose is to present the City Council and public with a clear picture of the services that the City provides. The other purpose is to provide City Management and Staff with a financial and operating plan.

The **TABLE OF CONTENTS** lists the major sections of the budget as well as information detailed in each section. The Table of Contents starts on page 7.

The **COTTONWOOD HEIGHTS PROFILE AND STATISTICS** section provides historical data and information about the City. This section assists both residents and non-residents in putting Cottonwood Heights' budget into perspective. The Cottonwood Heights Profile starts on page 9.

The **EXECUTIVE SUMMARY (BUDGET OFFICER'S MESSAGE)** summarizes the major issues and goals that drive the budget, the economic outlook that impacts the budget and the major policy and financial drivers that change the budget, and a general overview of the budget. This section also includes the GFOA Distinguished Budget Presentation Award. The Executive Summary (Budget Officer's Message) starts on page 35.

The **FY2013-14 OPERATING AND CAPITAL BUDGET** section provides the budget narrative with charts and graphs to more fully explain the financial history of the city, a discussion of major revenue sources with the assumptions and history related to them, a summary of key changes by department, and a staffing document with detail changes. The FY2013-14 Operating and Capital Budget section starts on page 49.

The **POLICIES AND PROCESSES** section provides key financial policies, a discussion of fund balance, the basis of measuring available revenue and expenditures, debt and debt limits, the fund structure and system of classifying revenue and expenditures, the mission and overall short term objectives of the City and accomplishments, a discussion of the budget development and administration process and budget control and management. The Policies and Processes section starts on page 69.

The **DEPARTMENTS, DIVISIONS AND PROGRAMS** section includes a discussion of each department along with their functions, goals, objectives and targets of accomplishments, selected workload indicators, major accomplishments, discussion of service level adjustments, a five year look ahead, a financial summary of key changes with explanation and a detailed three year actual/budget history. Also included is the Capital Improvements Fund budget by project beginning on page 235, and the Employee Benefit Fund beginning on page 243. The Departments, Divisions and Programs section starts on page 77.

The official **STAFFING DOCUMENT** sections show by department a detailed history of changes by position with a one year explanation of current changes from the prior fiscal year. The Staffing Document starts on page 245.

The **FY2012-13 BUDGET AMENDMENTS SUMMARY** section includes a detail of the legal changes made to the budget during the prior fiscal year. The FY2012-13 Budget Amendment information starts on page 249.

The **GLOSSARY** and **CHART OF ACRONYMS** helps translate budget terms, jargon and acronyms into more understandable language. The Glossary starts on page 259. The Chart is on page 264.

The **APPENDIX** includes other items of interest, such as the Five Year Information Technology Plan, The Adopted Budget Ordinance, and Certified Tax Rate Chart. The Appendix starts on page 265.

For a copy of the budget document, or for any information not covered in this document, please call the Cottonwood Heights' Budget Office at (801) 944-7012 or visit the City's website www.ch.utah.gov

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COTTONWOOD HEIGHTS PROFILE

LEGISLATIVE BODY

(MAYOR & COUNCIL)

Mayor Kelvyn H. Cullimore Jr.
Elected 11/3/2009
at large
Term ends 1/1/2014

Michael Shelton
Elected 11/8/2011
District 1
Term ends 1/1/2016

Michael J. Peterson
Appointed 10/11/11
District 3
Term ends 1/1/2014

J. Scott Bracken
Elected 11/8/2011
District 2
Term ends 1/1/2016

Tee W. Tyler
Elected 11/3/2009
District 4
Term ends 1/1/2014

CITY MANAGEMENT

John Park
City Manager
801 944-7000
JPark@ch.utah.gov

Brian Berndt
Planning Director
801 944-7066
BBerndt@ch.utah.gov

Linda Dunlavy
Deputy City Manager & Administrative
Services Director & City
801 944-7021
LDunlavy@ch.utah.gov

Steve L. Fawcett
Finance Director & Budget Officer
801 944-7012
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Robby Russo
Chief of Police
801 944-7100
RRusso@ch.utah.gov

Mike Allen
Public Works Director
801 944-7090
MAllen@ch.utah.gov

CONTRACT SERVICES MANAGEMENT

Shane Topham
City Attorney
*Callister Nebeker
and McCullough*

Mike Watson
Assistant Fire Chief
Unified Fire Authority

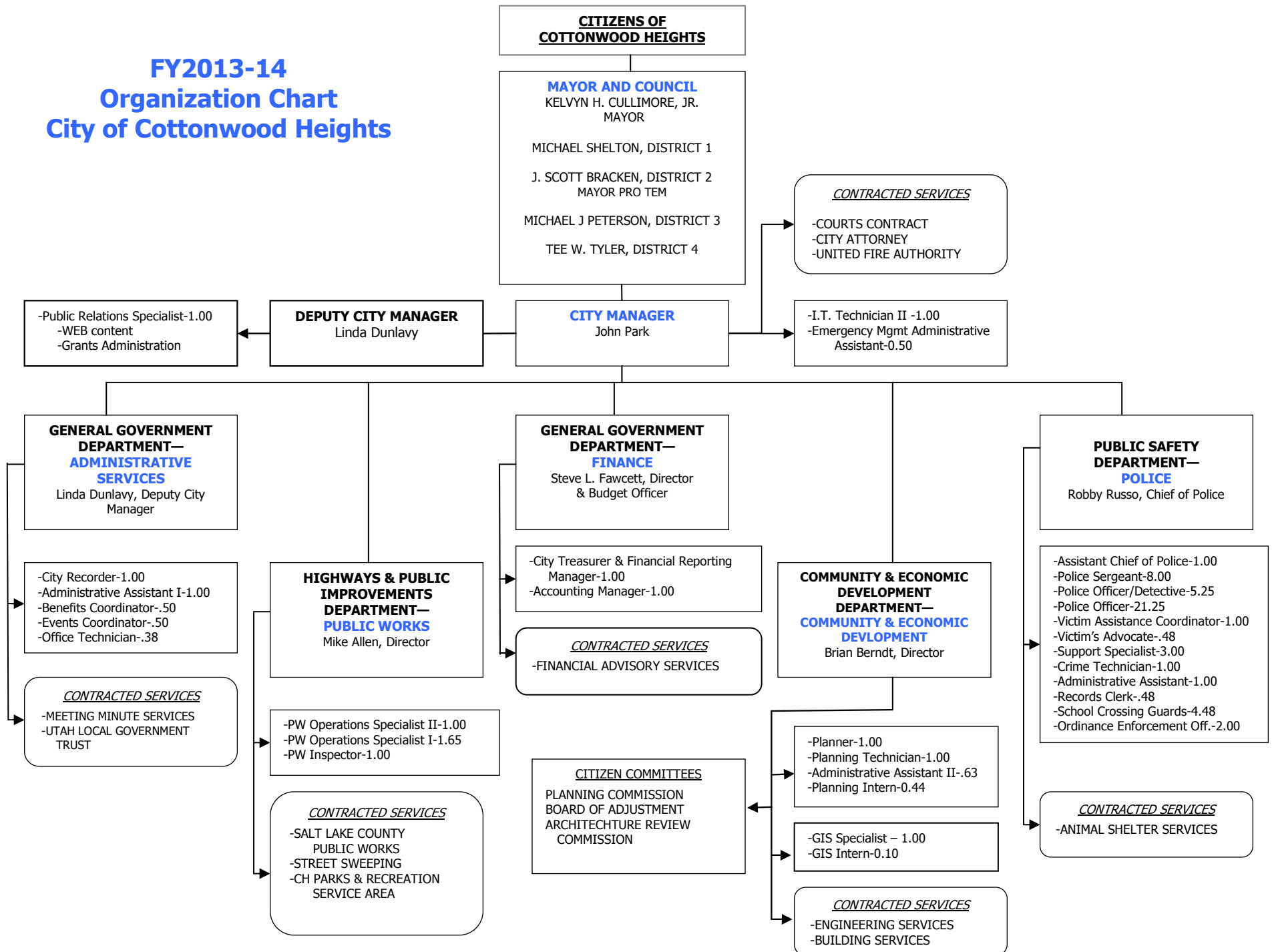
Brad Gilson
City Engineer
Gilson Engineering

Jodi Hilton
City Building Official
Sunrise Engineering

Augustus G. Chin
Judge
Justice Court

FY2013-14 Organization Chart City of Cottonwood Heights

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ABOUT COTTONWOOD HEIGHTS (The City Between The Canyons)



Cottonwood Heights was incorporated on January 14, 2005 out of the southeastern area of unincorporated Salt Lake County. Cottonwood Heights has as of the 2010 census 33,433 residents and encompasses approximately 8.9 square miles. It is known as the ***City between the Canyons*** because it is located at the foot of the Wasatch Mountain Range between Big Cottonwood and Little Cottonwood Canyons. These two canyons are home to Salt Lake Valley's four major ski resorts, Alta, Brighton, Solitude and Snowbird. Each of these ski resorts has an international clientele and reputation.

The quality of life for Cottonwood Heights is very high with many cultural and recreational activities available within the city or in near proximity. Cottonwood Heights values highly its reputation as a well-maintained residential and business community. The preservation of quality of life is of utmost importance to residents and business owners. Cottonwood Heights views itself as a city where residents, businesses, and government come together to create an attractive, safe, groomed community and where people are proud to live, learn, work, recreate, and do business. The city is proud of the stunning background and residents place a high value on the natural element of the area; hillsides, streams, natural open spaces and parks. The residents occupy a variety of residential dwellings in harmony with thriving commercial areas. In 2007 Money Magazine selected Cottonwood Heights as one of the 100 best places to live in the United States.



Cottonwood Heights is home to many corporate headquarters. The city offers more Class A office space than any other city in Salt Lake County, except Salt Lake City. Office campuses include Union Park, Old Mill Corporate Center, Cottonwood Corporate Center and the Corporate Campus of Blue Cross Blue Shield. These business parks provide important centers of employment to many Cottonwood Heights residents.

As the gateway to the valley's largest ski resorts and with easy access to valley wide transportation systems, Cottonwood Heights welcomes visitors. The City strives to attract businesses that will serve the needs of the residents, promote the attractive image and appearance of the community, support and increase the general income and prosperity of the City, strengthen existing business centers and complement the City's location as the gateway to the canyons.

FORM OF GOVERNMENT

Cottonwood Heights is a political subdivision of the State of Utah, a municipal corporation and body politic with perpetual existence unless disincorporated.

Citizens voted to operate Cottonwood Heights from its inception under the "Council – Manager" form of government. Under this form of government the citizens elect a council member from each of four geographic districts and a Mayor is elected from the entire city at large. The Mayor and Council select a City Manager who acts as the chief executive officer of the City (City Code 2.40.010 in accordance with UTAH CODE ANN. § 10-3-1223). Policy-making and legislative authority are vested in the Mayor and Council, execution and administration of policies and ordinances is the responsibility of the City Manager. The Mayor and Council serve part time. The City Manager serves full time. According to population and Utah law, Cottonwood Heights is classified as a city of the third class.

SERVICES AND OPERATIONS

As a local general purpose government, Cottonwood Heights provides a full range of municipal services including police and fire protection, construction and maintenance of streets and other infrastructure, planning and zoning, community and economic development, recreational and cultural activities; justice court, and animal services.

In addition to services provided directly by the City including -- General Government (Legislative, City Management, Finance, Treasurer, City Recorder, Business Licensing), Public Safety (police and ordinance enforcement), Highways and Public Improvements (Public Works), Community and Economic Development (Planning and Zoning, Economic Development), the City of Cottonwood Heights also *contracts* with several other taxing entities within the Salt Lake County area to provide certain services to our residents and businesses.

- ❖ The Cottonwood Heights Parks and Recreation Service Area (CHPRSA) is a Special Improvement District created in June, 1967, and is legally separate and distinct from the City. They operate a recreation center, recreation programs, and several parks within the city, including such amenities as swimming pools, an ice skating rink, a skate park, baseball diamonds, tennis courts, soccer fields, playgrounds, trails and social gathering places.

The City contracts with the CHPRSA to provide parks and landscape maintenance and management for three city parks and sixteen other roadway islands, trails, trailheads and walkways, monument signs, planters, and other small city owned properties. We also partner with them to conduct many city events, such as the Butlerville Days summer celebration.

- ❖ The Salt Lake County Public Works Department is a department within Salt Lake County government. They provide many of the public works operations for the City, under the watchful eye of our own Public Works Director.

The City contracts with the Salt Lake County Public Works Department to provide, through our general services contract, general street maintenance, storm drain maintenance, snow plowing and removal, traffic analysis, roadway sign maintenance, road striping, school zone flashers, street light maintenance, traffic signal maintenance, weed control, emergency barricade placement, and other small projects as requested. They may also provide, through our pavement maintenance contract, major street crack sealing, slurry sealing, chip sealing, overlay, etc.

- ❖ The Unified Fire Authority (UFA) is a separate political subdivision of the State of Utah, directed by an eleven member board, made up of elected officials from Salt Lake County, and various cities within the Authority. They provide fire fighting and rescue services, emergency medical services as well as wildland fire fighting and prevention, hazmat, heavy rescue, bomb/arson, and Urban Search and Rescue (USAR)--Utah Task Force One services throughout Salt Lake County. These services are provided through contracts with the Authority, or as a member city of the authority.

As a member of UFA, Cottonwood Heights receives fire fighting and rescue and emergency medical services out of stations 110, located at 1790 E. Fort Union Blvd. and 116, located at 8303 S. Wasatch Blvd. They will also provide all other services they offer as the need arises.

- ❖ The Salt Lake City Public Utilities Department is a department within Salt Lake City, (the State of Utah Capital City, located on the northern end of Salt Lake County). They provide water treatment and distribution services to most areas of Cottonwood Heights.

The City contracts with the Salt Lake City Public Utilities Department to provide repair and maintenance services on fire hydrants located in the city. Within Cottonwood Heights fire hydrants are owned by the city and not the Unified Fire Authority or Salt Lake City Public Utilities.

- ❖ The City of Holladay, the city to the immediate north of Cottonwood Heights, operates a Justice Court.

The City contracts with Holladay City to provide traffic and misdemeanor Justice Court services, prosecutorial services, and indigent defense services required by law, as well a small claims court. Justice Courts in Utah are not considered courts of record, so as is necessary, the State district court system will also provide services on behalf of the city.

The City does contract with a separate indigent defense service to serve clients that go through the State District Court system and not the Justice Court system.

Additionally, the City of Cottonwood Heights contracts with private professional entities to provide certain services to our residents and businesses.

- ❖ The City contracts with the law firm of Callister, Nebeker, & McCullough for legal services.

W. Shane Topham, attorney from the firm functions as the City's sworn Attorney.

- ❖ The City contracts with the engineering firm of Gilson Engineering, Inc. for engineering services in connection with building and other real property development, public works, and capital improvements.

Specifically, the scope of services includes development review, bond calculations and inspection, site inspection, geology, administrative services (correspondence and record keeping for excavating permits, bonding, bond administration, site inspection dispatch, issuance of road cut permits, and other miscellaneous city activities as assigned by the city), transportation, roadway planning and design, drainage planning and design, storm water quality management, and emergencies (cooperate with city's efforts to issue on an expedited basis emergency permits occasioned by disasters such as earthquakes and fires), barricade, material testing, surveying, addressing, reporting, advice and consultation, and public meetings.

- ❖ The City contracts with the engineering firm of Sunrise Engineering, Inc. for building services in connection with building and other real property development.

Specifically, the scope of services includes plan examination, building inspection, building services coordination, issuance of compliance and stop work orders, fire, health department and local utilities coordination, resource to city and its boards and committees with respect to building services, public meetings, and miscellaneous building services as requested to review business license applications for verification that the use is appropriate to the type and construction of the building in which the business is to be located, inspection or investigate reports of unsafe structures believed to be dangerous or a nuisance, emergencies (cooperate with city's efforts to issue on an expedited basis emergency permits occasioned by disasters such as earthquakes and fires), and emergency safety inspections of key public facilities within 12 hours after any disaster or other emergency that may have compromised the structural integrity, safety or functionality of any public or other facility needed to provide public shelter, services, utilities or the like.

There are several services that are typically provided by cities that Cottonwood Heights does not provide. These services are provided directly by other taxing authorities to the citizens of Cottonwood Heights. They are:

- ❖ Salt Lake City Public Utilities Department
They directly provide water treatment and distribution services to most City residents and businesses of the city.
- ❖ Cottonwood Improvement District
They directly provide wastewater collection services to City residents and business to most areas of the city.
- ❖ Jordan Valley Water Conservancy District
They directly provide water distribution services to City residents and businesses to some areas of the city not served by the Salt Lake City Public Utilities Department.
- ❖ Wasatch Front Waste and Recycling District
They directly provide waste removal services to City residents to all areas of the City.

MISSION STATEMENT AND FY2014 GOALS

Vision Statement

The elected and appointed officials of Cottonwood Heights are committed to creating the best city in Utah in which to live, work, recreate and do business. We envision the city is a well-maintained, safe, family-friendly community that embraces the natural beauty and open space of its surroundings.

Mission Statement

"To maximize the quality of life for residents and facilitate the opportunity for success of compatible businesses in the city."

This mission is accomplished by:

- Promoting open, responsive and participatory governance
- Improving the quality, effectiveness, availability and efficiency of governmental services
- Analyzing new ideas and encouraging creativity and innovation
- Managing tax dollars through responsible budgeting
- Encouraging citizen involvement
- Espousing professionalism, integrity and ethical actions on the part of elected and appointed officials, employees, and volunteers
- Respecting property rights of both residential and commercial property owners and striving to achieve proper balance between land uses within the constraints of applicable law

In an effort to maximize the ability of both the City Council and the City Manager to effectively perform their statutory responsibilities, it has become a Cottonwood Heights' tradition for both entities, along with members of the City Manager's executive team, to participate in a planning retreat for the purpose of setting goals on which to focus for the coming budget year which begins each year on July 1st. The results of the February 5th, 2013 retreat are summarized in the following list of general goals for FY2014, and more specific sub-objectives listed as bulleted items under each goal. These goals serve as the foundation for preparing the budget for the fiscal year. These goals, along with measureable objectives for accomplishment are found within each department/division section of this budget document. These goals are established in conjunction with stated objectives of other strategic and long range planning processes such as the Transportation Management Master Plan, Storm Water Management Master Plans, Economic Development Study, City General Plan, etc.

The **Cottonwood Heights' City Goals for FY2014** are as follows:

1) Customer Service (internal and external)

Promote and emphasize an attitude of pleasantly assisting all customers with the goal of satisfactorily "resolving the issue" for the customer

- a) *Departments of Cottonwood Heights will be customer service oriented by:*
 - i) *Implementing measurement techniques for key areas of customer service and providing the council a quarterly dashboard report from the measurements.*
 - ii) *Ensuring that staff is trained in City Council's expectation of delivering excellent customer service and the methods by which that department will meet those expectations.*
 - iii) *Establishing and publishing timelines for meeting customer requests for routine and standard deliverables.*
- b) *Recognize at least quarterly an employee that has exemplified the city commitment to excellent customer service.*
- c) *Facilitate annexation requests and support annexation efforts.*
- d) *Complete a customer satisfaction survey conducted by a contracted third party.*
- e) *Review and or implement general policies and procedures for all city volunteer committees.*
- f) *Explore the feasibility of establishing our own municipal court by:*
 - i) *Doing a survey of at least six other municipalities that operate a municipal court examining their procedures and costs.*
 - ii) *Developing a model and timeline for a Cottonwood Heights Court.*

2) Communications

Provide effective, clear communications to constituents

- a) *Maintain a high level of communication with citizens by:*

- i) Publishing a Monthly Newsletter in the Valley Journal.*
- ii) Developing a plan to increase our use of and presence in social media.*
- iii) Pursuing fiscally constrained ways the city can more effectively conduct business electronically with its citizens and effectively utilize the complaint/comment tracking system.*
- iv) Developing a plan to improve our web site for traditional and mobile users.*
- b)** *Include as part of every public works project a written plan approved by the Public Works Director to notify the public of the scope and impact of the project and provide the plan to the Council member in whose district the work will be performed.*

3) Emergency Preparedness

Place greater emphasis on emergency preparedness planning

- a)** *Better define the phases of emergency actions in the city including, preparation, mitigation, response and recovery functions by revising the emergency response and communication plan.*
- b)** *Identify each year, by Department, the personnel required to complete specific NIMS coursework training and what courses are required. Provide incentive and recognition for those completing the courses.*
- c)** *Annually review and update as appropriate any of the fifteen components of the FEMA/NIMS established Emergency Support Functions (ESF).*
- d)** *Determine the most efficient and cost effective manner to achieve redundancy of electronic media storage.*

4) Partnerships with other entities

Foster and create partnerships with other Governmental agencies to leverage resources and maximize services

- a)** *Canyons School District*
 - i)** *Collaborate on maximizing utilization of school owned property in Cottonwood Heights including maximizing green space at Butler Park.*
 - ii)** *Seek funding for all or part of the city's financial commitment to the expanded Butler Middle School Auditorium by applying for a grant from Salt Lake County Cultural Arts Support Group Advisory Board, or seeking a grant from other funding sources such as the TRCC Fund.*
 - iii)** *Develop a plan for the utilization of the Butler Middle School Auditorium.*
- b)** *Cottonwood Heights Parks and Recreation Service Area.*
 - i)** *Maintain a unified approach to all city events whether the primary sponsor is the city or the Service Area by holding monthly meetings to plan and review joint approach to all activities.*
 - ii)** *Deploy resources for the mutual benefit of our constituencies by contracting with the Service Area for park maintenance and management as well as snow removal and other services offered by the Service Area.*
- c)** *Utah Transit Authority*
 - i)** *Collaborate with UTA to explore mass transit alternatives within the city and for access to and utilization of the Cottonwood Canyons.*
- d)** *Salt Lake County*
 - i)** *Reduce cost of and voter turnout for municipal elections by participating with County Clerk in doing voting by mail.*
 - ii)** *Seek improvements to Crestwood Park by working with the County Parks Advisory Board and encouraging allocation of county budget funding for this purpose.*

5) Planning into the Future

Development of programs and plans to maximize the beneficial impact of planning, capital improvements and open space, parks, trails, and beautification

- a) Evaluate housing stock within the City and evaluate long range housing goals through updates through the current general plan update process.*
- b) Publish new General Plan by the end of June 2014 or at least have completed steps for public input regarding the General Plan Update.*
- c) Identify options for establishing a permanent city hall. Where possible acquire property or begin construction to best use citizen tax dollars by taking advantage of lower real estate costs, moderate construction costs and locking in occupancy costs for the long term instead of continually paying higher rents for city offices.*
- d) Under the guidance of the City Engineer develop objectives and goals to comply with Federal clean water requirements and to identify methods to fund said objectives and goals.*
- e) As part of the review and update of the city's General Plan determine if a Fort Union Boulevard transportation master plan is warranted. The master plan would include alternate transportation modes/networks (e.g., pedestrian, bicycle, mass transit) and impacts on Fort Union Boulevard, so that they interface cohesively to encourage economic development and intermodal travel. Specifically, encourage implementation of a transit system capable of supporting bus-rapid or light-rail transit to link major employment, retail, and residential areas with stations, park-and-rides, and other elements of the regional transportation.*

6) Implement Sound financial planning that contemplates future budgeting requirements and incorporates city objectives of maintaining infrastructure, fair pay and benefits for employees, and structural balance within the budget

- a) Complete a five year strategic financial plan that will begin the initial review soon after the update to the City General Plan is complete. The strategic plan will be updated annually.*

7) Recognize the importance of a strong and vibrant business community by seeking ways to support Cottonwood Heights businesses and diminishing regulatory burdens for businesses to thrive in our community

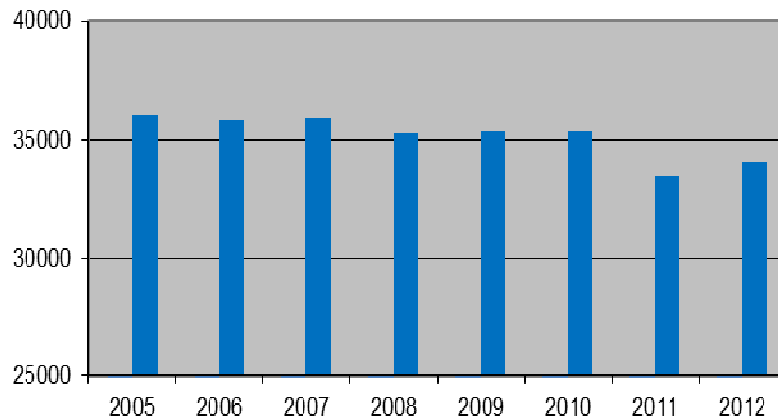
- a) In lieu of affiliation with a Chamber of Commerce, engage the business community in outreach programs that enhance a business's overall experience in Cottonwood Heights. At a minimum host a luncheon once a quarter for various business segments within the city.*
- b) The Planning Department will find ways to utilize information from the city economic development study completed in 2011 and make recommendations to the City Council.*

STATISTICAL PROFILE

The City of Cottonwood Heights was not incorporated as of the 2000 Census and therefore, there is limited comparative data available to provide the reader with a basis to evaluate the shift of demographics and economic change.

The 2012 Census estimate shows the City population at 34,068. This represents 3.25% of the population of Salt Lake County.

Estimated Population of Cottonwood Heights



Estimated Population

(as of July 1)

2012	34,068
2011	33,433
2010	35,407
2009	35,418
2008	35,351
2007	35,932
2006	35,853
2005	36,033

Note: 2011 from latest census.
All other years from Governor's
Office estimates.

**COTTONWOOD HEIGHTS
TAXABLE AND FAIR MARKET VALUE OF PROPERTY
(Excluding State Centrally Assessed / Personal / Motor Vehicle)**

TAX YEAR	TAXABLE VALUE	PERCENT CHANGE	ESTIMATED FAIR VALUE	PERCENT CHANGE	TAX RATE	PERCENT CHANGE	ACTUAL COMBINED PROPERTY TAX REVENUE	
2005	2,081,869,498		3,518,359,452		0.002624			
2006	2,293,033,635	10.14%	3,660,057,425	4.03%	0.002624	0.00%	6,476,451	N/A
2007	2,778,886,533	21.19%	4,681,399,965	27.91%	0.002220	-15.40%	6,408,762	-1.05%
2008	2,975,823,776	7.09%	5,044,615,267	7.76%	0.002098	-5.50%	6,397,453	-0.18%
2009	2,588,651,543	-13.01%	4,315,668,361	-14.45%	0.002399	14.35%	6,344,286	-0.83%
2010	2,504,500,541	-3.25%	4,159,209,300	-3.63%	0.002517	4.92%	6,499,957	2.45%
2011	2,449,196,532	-2.21%	4,064,468,170	-2.28%	0.002586	2.74%	6,567,464	1.04%
2012	2,405,264,373	-3.96%	3,991,562,204	-4.03%	0.002654	5.44%	6,581,714	est. 1.26%
2013								

Data not available until after June 8th

**COTTONWOOD HEIGHTS
TEN LARGEST PROPERTY TAXPAYERS
(REAL AND PERSONAL PROPERTY)**

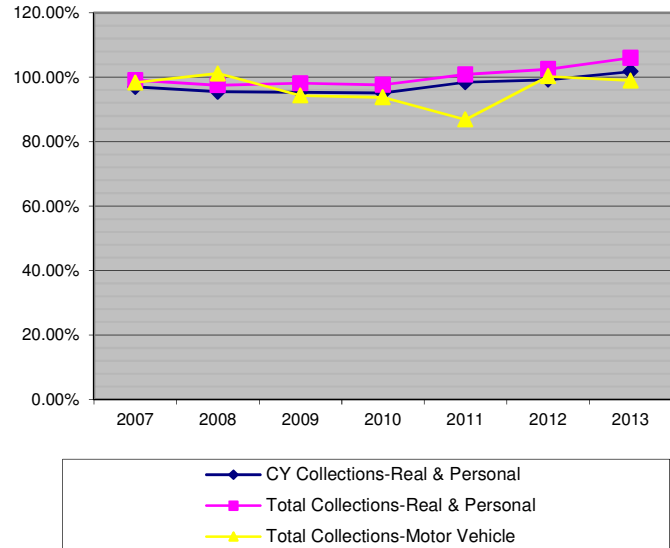
TAXPAYER	RANK	2012 TAXABLE VALUE	% OF TV	TYPE OF BUSINESS
NOP Cottonwood (Cottonwood Corporate Center)	1	\$77,835,000	3.24%	Non residential property managers
Old Mill Corporate Center	2	\$74,328,500	3.09%	Non residential property managers
RBCSU Realty, Inc. / Regence BlueCross/BlueShield	3	\$49,137,899	2.04%	Real estate / Insurance
Fourels Investment Co. (Shopping Area)	4	\$37,268,000	1.55%	Real estate investment
Pinnacle Highland Apartments	5	\$29,939,690	1.24%	Apartment Rentals
James Campbell Company, LLC.	6	\$20,720,110	0.86%	Real estate
Sante Fe Apartments, LLC.	7	\$20,221,630	0.84%	Apartment Rentals
JSP Farms I, LLC	8	\$17,746,740	0.74%	
Overstock.Com	9	\$15,976,579	0.66%	Internet retailer
Park I Partners, LLC.	10	\$15,589,600	0.65%	Real estate

COTTONWOOD HEIGHTS REAL AND PERSONAL PROPERTY TAX COLLECTION RECORD						
FISCAL YEAR	(a) NET TAXES LEVIED	(b) CURRENT COLLECTIONS	(c) DELINQUENT & OTHER COLLECTIONS	(b÷a) CURRENT COLLECTIONS PERCENT	(b+c÷a) TOTAL COLLECTIONS PERCENT	TOTAL DELINQUENCIES OUTSTANDING ON MAR 31
2007	\$6,540,140	\$6,339,067	\$137,384	96.93%	99.03%	
2008	\$6,570,859	\$6,272,729	\$136,033	95.46%	97.53%	\$0
2009	\$6,522,478	\$6,216,140	\$181,313	95.30%	98.08%	\$14,176
2010	\$6,500,000	\$6,177,283	\$167,003	95.04%	97.60%	\$48,708
2011	\$6,445,912	\$6,343,931	\$156,026	98.42%	100.84%	\$30,849
2012	\$6,437,173	\$6,385,381	\$208,795	99.20%	102.44%	\$38,120
2013	\$6,431,714	\$6,540,841	\$275,490	101.70%	105.98%	\$115,345

**COTTONWOOD HEIGHTS
MOTOR VEHICLE FEE IN LIEU OF TAX COLLECTIONS**

FISCAL YEAR	MVF BUDGETED	CURRENT COLLECTED	TOTAL COLLECTIONS PERCENT
2007	\$514,000	\$505,430	98.33%
2008	\$500,000	\$505,711	101.14%
2009	\$500,000	\$471,390	94.28%
2010	\$500,000	\$468,657	93.73%
2011	\$490,951	\$426,149	86.80%
2012	\$399,000	\$400,016	100.25%
2013	\$395,000	\$390,882	98.96%

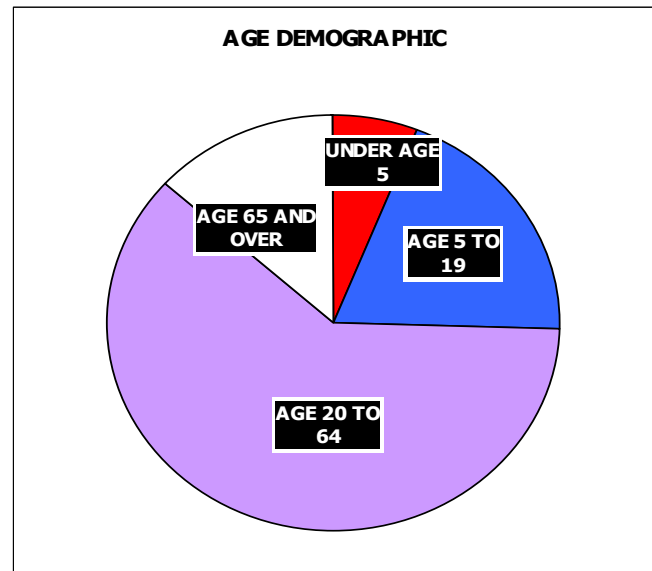
Tax Collection Rates Fiscal Years 2007-2013



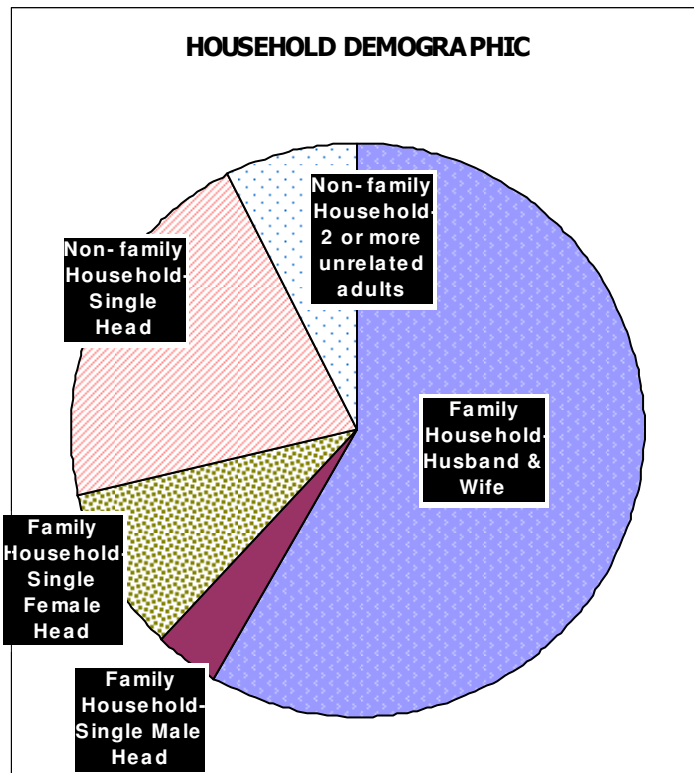
2010 United States Census Information

AGE DEMOGRAPHIC (Years)

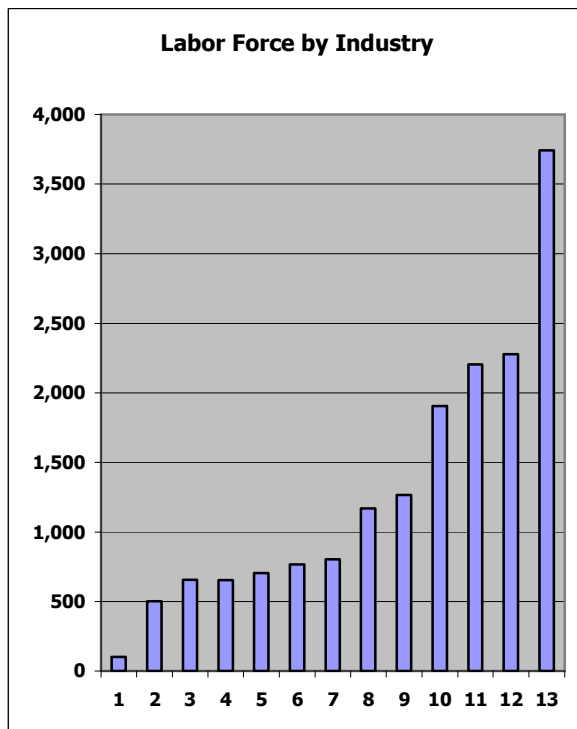
< 5	2,053	6.14%
5 to 19	6,473	19.36%
20 to 64	20,442	61.14%
65 >	4,465	13.36%
Median Age = 36.9		
Median Age (Female) = 35.9		
Median Age (Male) = 38.1		



COTTONWOOD HEIGHTS PROFILE
PROFILE AND STATISTICS



HOUSEHOLD DEMOGRAPHIC	2010 TOTAL	
Family Households	8,902	
Both Husband & Wife in Family		7,258
Single Male Family		475
Single Female Family		1,169
Non-family Households	3,557	
Householder living alone		2,637
2 or more unrelated adults		920
Average Household Size	2.68	
Average Family Size	3.13	



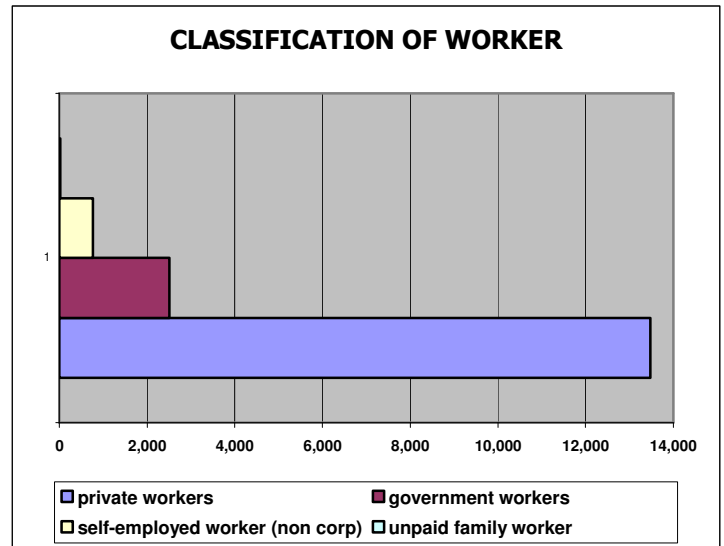
ECONOMIC DEMOGRAPHIC
Employed Civilian Labor Force
(16 years and older)

16,766

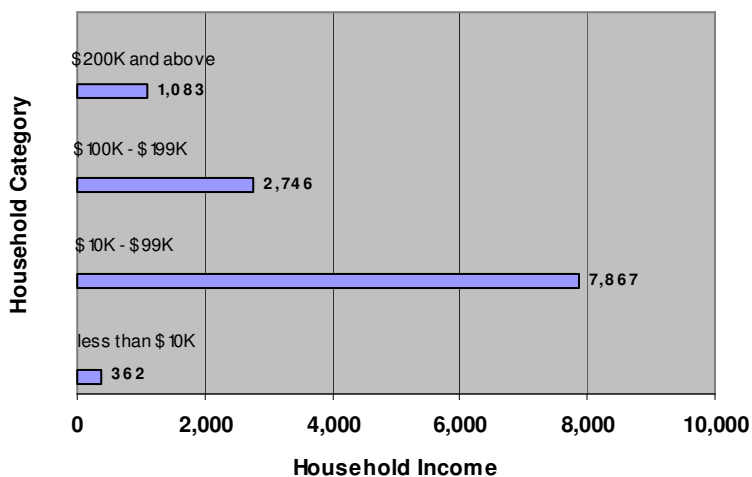
INDUSTRY	
1	Agriculture, forestry, fishing / hunting, & mining
2	Other Services, except Public Administration
3	Information
4	Wholesale trade
5	Transportation, Warehousing, and Utilities
6	Construction
7	Public Administration
8	Manufacturing
9	Arts, Entertainment, Recreation, Accommodation, Food Serv.
10	Finance, Insurance, Real Estate, and Rental/Leasing
11	Retail trade
12	Professional, Scientific, Management, Administrative
13	Educational, Health Care, and Social Assistance

CLASSIFICATION OF WORKER

Total Workers	16,766
Private wage and salary workers	13,473
Government workers	2,511
Self-employed, in owned but not an incorporated business workers	761
Unpaid family workers	21



INCOME AND BENEFITS



INCOME AND BENEFITS

(in 2010 inflation adjusted dollars)

Households with income	12,058
Households less than \$10,000	362
Households \$10,000 to \$99,000	7,867
Households \$100,000 to \$199,000	2,746
Households \$200,000 and above	1,083
Median household income	\$71,667

RACE, and HISPANIC OR LATINO (%)

One Race	97.50
White	91.30
Black or African American	0.9
American Indian and Alaskan Native	0.4
Asian	3.2
Native Hawaiian and Other Pacific Islander	0.3
Some Other Race	1.4
Two or More Races	2.5
Hispanic or Latino (May be Any Race)	5.1

SELECTED ECONOMIC INDICATORS FOR SALT LAKE COUNTY

(Source: Utah Department of Workforce Services: Updated November 2012)

	YEAR				
	2011 <i>(locally estimated)</i>	2010	2009	2008	2007
Population	<i>1,048,985</i>	1,033,910	1,016,795	9,995,536	983,719
Labor Force: Annual Averages (Dec)					
Employed	510,310	511,799	522,422	536,731	533,530
Unemployed	35,745	43,272	38,356	16,690	14,717
Unemployment Rate	6.5%	7.8%	6.8%	3.5%	2.7%
Total Personal Income (Millions)	<i>\$39,947</i>	\$39,084	\$38,581	\$39,013	\$37,818
Per Capita Income	<i>\$38,662</i>	\$37,827	\$37,276	\$38,304	\$37,726
Average Family Income	<i>\$57,915</i>	\$56,664	\$56,954	\$59,168	\$56,378
Average Monthly Non-farm Wage	\$3,703	\$3,623	\$3,470	\$3,470	\$3,406
Gross Taxable Sales	\$19,879,600	\$18,798,700	\$18,284,200	\$20,477,900	\$21,634,262
Permit Authorized Construction (\$000)	\$1,560,000	\$1,070,588	\$1,545,119	\$1,656,131	\$2,153,638
New Residential Building Permits	2,403	2,471	4,586	3,555	4,512
Residential Permits Value (\$000)	\$478,000	\$424,610	\$649,517	\$588,478	\$820,049

TEN LARGEST EMPLOYERS w/in SALT LAKE COUNTY	AMERICAN FACT FINDER 2011 Estimates	
Intermountain Health Care	Median Age	30.8
University of Utah	Persons per Household	2.96
State of Utah	Female Participation % of Labor Force	49.7%
Granite School District	Male Participation % of Labor Force	50.3%
Jordan School District	Self-Employed	4.90%
Salt Lake County	Commute Time (minutes)	21.8
Univerity of Utah Hospital	Median Family Income	\$68,947
United States Government	Median Earnings:	
Wal-Mart	Male Full-time	\$45,701
The Canyons School District	Female Full-time	\$34,192
	Persons Below Poverty	11.10%

Source: Utah Department of Workforce Services: Updated November 2011

Source: United States Census Bureau-U.S. Dept. of Commerce

DEPARTMENTS AND OTHER ORGANIZATIONAL UNITS

The City is organized by departments. They are General Government, Public Safety, Highways and Public Improvements, and Community and Economic Development.

Some departments are further divided into other organizational units and the activity of all units is financed by the general fund. The following is a brief description of the city's departments and other organizational units, and the services provided by each unit.

General Fund

General Government Department

General Government is one of four super departments in Cottonwood Heights. It provides administrative services for the entity and includes the mayor, city council, and other committees, commissions and special bodies appointed by the mayor, city manager and city council. It also includes judicial services, the city manager and all administrative officers of the city.

- **Legislative Division**

The Legislative Division is one of four divisions of the General Government Department. It is designed to capture the functions overseen by the Mayor and City Council.

- **Mayor and City Council**

Mayor and City Council organization consists of the Mayor, who is elected at-large and four City Council members, who are elected from their respective Council District within the City. They are the legislative body of the City that pass laws and regulations and determine overall policy direction on behalf of the City. Please see the Mayor and City Council on page 81.

- **Legislative Committees and Special Bodies**

Legislative Committees and Special Bodies program is designed to capture the expenses of the city for events, both sponsored and hosted, and for special committees and bodies, such as the Arts Council and Historic Committee. Please see list of activities on page 97.

- **Planning and Zoning Commission**

Planning and Zoning Commission program is designed to capture the Planning Commission expenses. There are seven planning commissioners and two alternates and they meet on the first Wednesday of the month and more often if necessary. Please see the Planning and Zoning Commission on page 103.

- **Judicial Division**

The Judicial Division is one of four divisions of the General Government Department. It is designed to capture revenue and expenses associated with the Cottonwood Heights City Court contract.

- **City Court**

Justice court service is provided to residents of the city and others who are cited or arrested in the city for traffic and adult misdemeanor criminal charges. This service is provided through an agreement with Holladay City and there are no Cottonwood Heights employees involved in this service. The court also has concurrent jurisdiction in the city with the State Juvenile Court over some traffic misdemeanors and infractions committed by 16 and 17 year olds and concurrent jurisdiction with the Third District Court over small claims matters. The service provided includes prosecution of offenders and indigent defense. Please see City Court on page 107.

- **Executive and Central Staff Division**

The Executive and Central Staff Division is one of four divisions of the General Government Department. It is designed to capture the City Manager operations along with several processes managed on a citywide basis.

- **City Manager**

The City Manager is appointed by the Mayor and City Council and is responsible to carryout the policies of the City Council within the adopted budget. The City Manager manages the day-to-day operations of the City. The City Manager also directly supervises City Emergency Management and Information Technology. Please see City Manager on page 111.

- **Emergency Management**

The city uses this account to manage and organize its emergency management planning and account for related grants received. Staffing expenses are in the City Manager's budget. Please see Emergency Management on page 121.

- **Information Technology (IT) / Data Processing**

The city uses this account to manage the purchase of hardware and software needs and IT related maintenance contracts. Staffing expenses are in the City Manager's budget. Please see IT on page 127.

- **Administrative Agencies Division**

Administrative Agencies Division is one of four divisions of the General Government Department. It is designed to capture the internal operational support functions of the City.

- **Finance Department**

Finance functions to safeguard the assets of the City. Department personnel provide the accounts payable, accounts receivable, payroll, and general accounting services. They also are responsible for the City Budget, Interim and Annual Financial reports, City purchasing, Treasury, cash management and risk management premium and claims processing. Please see Finance on page 131.

- **Debt Service / Lease Expense**

The City has no long term bonded debt. This area captures the processing of a capital lease for Police vehicles. Please see Debt Service / Lease Expense on page 231.

- **Transfers to Other Funds**

The city uses this account to manage the transfer of general fund monies to other funds, primarily the Capital Improvement Projects Fund. Please see Transfers to Other Funds on page 231.

- **City Attorney**

The City contracts with a private law firm to provide all law related services to the City. This function is part of the Administrative Agencies Division. Please see City Attorney on page 141.

- **Administrative Services Department**

Administrative Services personnel provide the duties of the City Recorder, Human Resources, Business Licensing, Public Relations, reception, and cash receipt processing. Please see Administrative Services on page 145.

- **Elections**

The City holds general municipal elections during November of odd numbered years. Please see Elections on page 157.

Public Safety Department

Public Safety is one of four super departments in Cottonwood Heights. It provides police, fire, animal control and ordinance enforcement services. In prior years the city has contracted with the Salt Lake County Sheriff for police services. Beginning September 1, 2008 the city established its own police department. The city is a member of the Unified Fire Authority (UFA) which provides fire protection and emergency paramedical services. Cottonwood Heights' mayor serves on the UFA board and presently serves as chair of the UFA Finance Committee. On January 1, 2008 the city began to provide animal control services with its own employees as a part of the Ordinance Enforcement organizational unit. In addition to providing animal control services this staff works with citizens to obtain compliance with various city ordinances. Prior to January 1, 2008 the city contracted with Salt Lake County for animal control services.

- **Police Department**

The Police Department provides investigative, patrol, evidence processing, SWAT, citizen neighborhood patrol, school resource officers, crime victim support, and K-9 services. Please see Police on page 163.

- **Ordinance Enforcement**

The Ordinance Enforcement program provides animal control and care services, and code compliance enforcement. This program falls under the Police Department. Please see Ordinance Enforcement on page 173.

- **Fire**

The city contracts with the Unified Fire Authority in Salt Lake County for fire suppression and medical services. Please see Fire on page 179.

Highways and Public Improvements Department

Highways and Public Improvements is one of four super departments in Cottonwood Heights. It is designed to capture the functions of Public Works, Road and Street projects funded by the State "Class C" program, and Impact fees funded projects.

- **Public Works Department**

The Public Works Department provides maintenance of City roadways, sidewalks and Parks. Department personnel provide inspection, project management and contract management responsibilities. Please see Public Works on page 191.

- **Class C Roads**

The city receives funds from the State from taxes collected on gasoline sales. These funds are distributed to cities and towns based on a formula of various road lane miles within the jurisdiction. Please see Class C Roads on page 201.

- **Impact Fees**

The city receives funds from charging impact fees which are used for storm water improvement and transportation improvement projects. Please see Impact Fees on page 205.

Community and Economic Development Department

Community and Economic Development is one of four super departments in Cottonwood Heights. It is designed to capture the functions of Planning and Zoning, Economic Development, Business Licensing, Engineering, and GIS program development.

- **Planning and Zoning**

The Planning and Zoning Division provides oversight to all development within the City, manages the economic development efforts of the City, oversight of the engineering, permitting, and GIS information. Please see Planning and Zoning on page 209.

- **Economic Development**

The Economic Development function provides for the contractual agreement with the Economic Development Corporation of Utah (EDCU). It also includes Business Licensing. Please see Economic Development on page 217.

- **Engineering**

The Engineering function provides all engineering services in connection with building and other real property development, public works, capital improvements and for building services in connection with building and other real property development. Please see Engineering on page 223.

ACCOMPLISHMENTS

The major budget and recognition related accomplishments by Cottonwood Heights for seven and one-half years since incorporation are as follows:

FY05 Accomplishments

- City of Cottonwood Heights incorporated January 14, 2005
- Held the city's first municipal election. This election, resulted in the election of Mayor Kelvyn H. Cullimore, Jr. and Council Members Gordon M. Thomas, J. Scott Bracken, Don J. Antczak, and Bruce T. Jones
- Exited the Salt Lake Valley Fire Service Area and joined the Unified Fire Authority as a member city saving approximately \$1,000,000 annually in tax dollar expenditures

FY06 Accomplishments

- Developed and adopted a plan for construction and maintenance of transportation capital facilities
- Developed and adopted a plan for construction and maintenance of storm water capital facilities
- Developed a Cottonwood Heights General Plan and amended Zoning Ordinances to facilitate that plan
- Led and coordinated the effort to raise from private sources and distribute over \$1.2 million in cash, mortgage relief, and other humanitarian services in helping relocate the residents of the closed Meadows Mobile Home Park
- Acquired part of the property needed for a city center and began developing the city center plan
- Revitalized many street and monument landscape areas throughout the city.
- Studied and revised business license fees
- Appointed an Architecture Review Commission
- Established a Youth City Council
- Addressed traffic safety issues in the City through implementing traffic calming initiatives including:
Brighton Bump mitigation on Oak Creek Drive

FY07 Accomplishments

- Implementation of a new Ordinance Enforcement Department which includes animal control
- Implementation of a new Geographic Information System (GIS) Service
- Participated with other cities on the east side of the Jordan School District in the creation of the new Canyons School District

- Instrumental in securing almost \$4,000,000 in funding from Salt Lake County Zoo, Arts, and Parks (ZAP) tax to reconstruct the Cottonwood Heights Recreation Center ice skating facilities.
- Established a Historical Committee

FY08 Accomplishments

- Implemented a joint venture with Holladay city to provide justice court services for Cottonwood Heights citizens
- Cottonwood Heights and Salt Lake County jointly worked to acquire 5.67 acres of property which has been developed by the City into the Prospector Ridge/Timberline Trailhead. The County Contributed \$3.4 Million to the purchase of the land
- Entered into cost saving partnership with the cities of Holladay and Taylorsville to provide street sweeping
- Enhanced City Emergency Planning by:
Buying and equipping a CERT trailer
- Hosted first city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and Old Mill Pond urban fishery and obtained \$750 K grant to pay for phase I of the construction

FY09 Accomplishments

- Implemented a new Cottonwood Heights Police Department effective September 1, 2008 staffed with 34 officers and 5 civilians initially
- Opened Timberline Trailhead – first phase of joint project with Salt Lake County Open Space and Parks fund
- Established an Arts Council
- Completed bridge rehabilitation on Creek Road at 2700 east improving bridge stability and extending useful life of structure
- Made significant improvements to information system infrastructure
- Enhanced City Emergency Planning by:
Buying 2 air wave frequencies
Buying 70 radios
Installed and tested an EOC radio in the City Offices and one off site
Qualified for and received a federal NET guard grant
Purchased and deployed new traffic control trailer increasing City's ability to respond to emergencies and provide traffic control
- Funded completion of Golden Hills Park

FY10 Accomplishments

- Implemented new generation integrated financial management system
- Collaborated with Canyon's School District and Cottonwood Heights Parks and Recreation Service District on rebuilding of Butler Middle School
- Held the city's second municipal election since incorporation. This election, resulted in the re-election of Mayor Kelvyn Cullimore, Jr. and the election of two new council members, Nicole Omer, and Tee Tyler. Inaugural Council Members Don Antczak and Bruce Jones were replaced.
- Improved communication with citizens by improving the web page, expanding the Cottonwood Heights insert in the *Cottonwood/Holladay Journal*, use of communication poles and banners, Facebook, and twitter
- Addressed traffic safety issues in the City through implementing traffic calming initiatives including:
Refuge island on Bengal Blvd. by the Skate Park

- Made significant upgrades and improvements to information system infrastructure
- Hosted second city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and obtained \$534,000 Zoo, Arts and Parks (ZAP) grant to, along with city funding, complete phase II of the construction

FY11 Accomplishments

- Held the first community play when the community performed "Joseph and the Amazing Technicolor Dreamcoat"
- Created a new and improved website
- Uploaded first compliant financial information to State transparency website
- Took ownership of Golden Hills Park

FY12 Accomplishments

- Held the second consecutive community play when the community performed "The Wizard of Oz"
- Opened Mountview Park in May 2012
- Settled lawsuit with Cottonwood Estates by consenting to their disconnection of the Tavaci project from the City – 46 acres at the mouth of Big Cottonwood Canyon
- Formalized the first Community Development Agency (CDA) for the Canyon's Centre Resort development at the mouth of Big Cottonwood Canyon
- Negotiated with the Utah Department of Transportation to complete phase III of the Big Cottonwood Trail system
- Council Member Nicole Omer resigned to relocate out of State. Mike Peterson was selected by the remaining Council Members to complete her term of office
- Held the city's third municipal election since incorporation. This election resulted in one new council member. Council Member Gordon Thomas, and inaugural member of the Council was replaced with new Council Member Mike Shelton
- Conducted study of business license fees
- Hosted third city sponsored emergency preparedness fair in the community
- Planned the Big Cottonwood Trail and worked with the Utah Department of Transportation and secured funding, along with city funding, to complete phase III, the final phase, of the construction

FY13 Accomplishments

- Held the third consecutive community play when the community performed "Cinderella Enchanted"
- The City's first City Manager, Liane Stillman, retired and a new City Manager, John Park was hired and began service January 1
- Completed and submitted to the Government Finance Officers Association (GFOA) for review the first city Comprehensive Annual Financial Report (CAFR)
- Completed the City's first Popular Annual Financial Report (PAFR). Although not eligible for award from the GFOA until after one year of having received the CAFR award, the PAFR was submitted to GFOA anyway to get comments
- The City volunteered to be the County Clerks "test case" for the newly approved VOTE BY MAIL process for the 2013 municipal election

Awards and Special Recognition

- Selected in 2007 by Money Magazine as a top 100 City in America for cities with population less than 75,000

- 2009 recipient of the Federal Emergency Management Agency (FEMA) national award for Collaborative Preparedness Planning
- Member of the Year recognition from the Utah Housing Authority for our work on the Meadows Mobile Home Park.
- Utah Recreation Association Best Event Award for Bark in the Park
- All American Cities finalist in 2011
- Best of State Awards presented to:
 - Gary Harmer – Best Public Sector Appointed Official - 2007
 - Mayor Cullimore – Best Elected State Official - 2008
 - Kevin Smith – Best Community Development Department - 2009
 - Chief Robby Russo – Best Public Safety Official - 2010
 - Liane Stillman – Best Public Sector Appointed Official – 2011
 - Linda Dunlavy – Best Public Sector Appointed Official – 2012
- Linda Dunlavy, Director of Administrative Services was recognized by the Utah Municipal Clerks Association as the 2012 Recorder of the Year for the State of Utah
- The International Footprinter Association, in 2012, recognized City Police Department officers Corbett Ford and Dan Bartlett as National Officers of the Year for their work on the Dr. Stack case.
- Police Chief Robby Russo was selected, in 2013, by the Utah Chiefs of Police Association as the Police Chief of the Year
- The Department of Public Safety awarded to the Cottonwood Heights Police Department the annual Commissioner's Award for excellence in Highway Safety for 2013
- The Utah Recreation and Parks Association (URPA) awarded their 2013 Outstanding Manager Award to Council Member Mike Peterson, who is the Director of the Cottonwood Heights Parks and Recreation Special Service Area
- The Utah Recreation and Parks Association (URPA) awarded their 2013 Outstanding Facility Award to the city for Mountview Park, which they described as "fantastic" and "besides multi-use features, it brings about a sense of community"
- The International Pavement Management Association identified our city for being in the top 3% of cities across the country based on aggressive management techniques to save millions of dollars in road maintenance over a period of time
- Five members of the Cottonwood Heights Youth City Council was awarded a trip to Washington D.C. by Senator Lee's Office for winning the Utah League of Cities and Towns annual conference "Constitution Bowl" competition
- David Muir, City Treasurer and Financial Reporting Manger, was recognized by the Utah Government Finance Officers Association (UGFOA) for his six year term as a Board Member
- Recipient for six consecutive years of the Distinguished Budget Presentation Award from the Government Finance Officers Association for excellence in budgeting.



EXECUTIVE SUMMARY

BUDGET EXECUTIVE SUMMARY

(Budget Officer's Message)

2012-2013

To The Honorable Mayor, City Council and Citizens of Cottonwood Heights

I present to you the Annual Operating and Capital Budget for the fiscal year beginning July 1, 2012 and ending June 30, 2013. (FY2013)

This year's budget process began when we held the January 28th retreat where goals and general budget development guidelines were discussed. Those goals and expectations were provided to the Administration to use as we prepared the budget and made ready this presentation.

This budget represents the appropriation of funds for FY2013. It also represents the revised budget for FY2012. The property tax rate for the calendar year 2012 (CY2012) which provides the property tax revenue to support the FY2013 budget will become available in early June. This proposed budget assumes the same revenue and rate.

The Governmental Funds (General Fund & Capital Projects Fund) budgets are balanced as required by Utah Code Section 10-6-117. Appropriations in each fund do not exceed estimated expendable revenue and other sources. The Employee Benefits Fund (An Internal Service Fund) is included in this document however the budget for this fund is not legally required by Utah Law to be adopted and is included here for information only.

ISSUES AND GOALS

The City Council goals set the priorities that guide the allocations of resources in this budget and all of the goals that are to be accomplished in FY2014 are facilitated by this budget. The discussion under the heading "Cottonwood Heights City Goals" (page 16) summarizes the methods used by the council to identify major issues and the goals or priorities of the council and citizens for this new budget year. The outcomes of those discussions lead to many of the decisions and the prioritization of appropriations in the budget.

The major issue in balancing the budget continues to be the fluctuating level of revenue caused by a continuance in the roller coaster rebounding economy. The economic outlook is up and looking positive one month and down and looking negative the next month. Just when it seems that improvements in the economy are working, as evidenced by revenue growth, the issues at play in Washington D.C. become severe and threatening. The most recent example of this was the inability to once again pass a federal budget and the subsequent action referred to as "Sequestration" which has given both sides of the aisle the opportunity to make cuts in areas that they know will most impact State and Local government, with the hope it will cause an uproar to the point of change. Change in and of itself is not bad if it is targeted toward correcting the far-reaching and most impactful issues, such as the spiraling costs associated with baby-boomers, and social security and Medicare, the cost of war, and the economic impact of a very large percentage of the people receiving some kind of federal aid and not paying taxes. But we must deal with whatever change methods are implemented and adjust accordingly. This city budget has been prepared with all of these unpredictable factors in mind.

With this in mind, we remind ourselves of what our focus has been and where we want it to be. The major areas of focus for the City Council continue to be public safety, customer service, communication, and emergency preparedness. A continuing theme carried throughout the council

goals and objectives is to enhance communication and public involvement as well as all city services without adding any new fees such as storm water or utility franchise fees, etc. and without increasing current taxes. This city budget has been prepared with this focus in mind.

However, as the city looks beyond FY2014, we must recognize that without major changes in the current economic condition factors, the predictable potential cost of providing the services we want to provide will be greater than the resources we will have to provide the services. It is possible that we will need to change our paradigm regarding service delivery or sources of funding.

The action plan to address FY2014 issues, areas of focus, and goals is to maintain services in ways that do not use more money than is absolutely necessary and with an expected positive result. There is an emphasis on improving both internal and external services by examining the way the City provides those services, and to make appropriate changes in methodology.

2013-14 Expectations

- Balance the budget with no new tax or revenue sources
- Balance the budget with no increases in existing taxes
- Balance the budget and bridge the gap with reliance on fund balance only for one time purchases and to meet the highest expectations for capital improvement projects completed
- Balance the budget being fair to employees, allowing them to have a wage that keeps up with inflation
- Balance the budget with a health care coverage program that is fair to employees, legally in concert with the Affordable Care Act, but shifts a higher portion of premium sharing to the employee
- Balance the budget and maintain the policy level in the committed fund balance of 6% (reserves)
- Balance the budget while maintaining the high level of service our citizens and businesses expect and enjoy
- Balance the budget while enhancing the transparency of government that exists in Cottonwood Heights through public notifications and sharing of information through special notices, articles in the *Cottonwood/Holladay Journal*, and a modified more robust City Web site found at: www.cottonwoodheights.utah.gov

2013-14 Key Budget Decisions and Processes

By marrying the Council's expectations with small budgeted growth in revenue, the Administration developed this budget with the following criteria in mind:

- All employees receive a 1.7% across the board cost of living adjustment (COLA)
- Implement pay study results by moving all eligible employees within identified pay ranges
- Health insurance rates negotiated professionally to receive best rate possible, even in adverse conditions
- Employer percentage of participation in health care premiums will change from 90% city paid to 80% city paid
- All contracts for services reviewed for maximum efficiency
- All program expenditures reviewed for relevance, efficiency and effectiveness and analyzed to determine where appropriate reductions should be made
- Revenue projections moderately yet realistically estimated

- Changes in personnel FTE counts will only be made to meet increased service demands and to improve the timeliness of service delivery

BUDGET ASSUMPTIONS

REVENUE OVERVIEW

Revenue estimates are based upon current economic conditions as well as historical trends, where appropriate.

Key recurring general fund revenues have not increased at the level Cottonwood Heights experienced early in its history. In fact, some revenues have once again decreased from the FY2013 revised levels.

It is anticipated that actual sales tax revenues will grow and therefore, an increase in the sales tax budget reflects this assumption.

It is anticipated that the actual prior year or delinquent property tax collections will begin to moderate, and, therefore a small increase in the total property tax budget reflects this assumption.

Current year property tax assumptions remain at the current budget level. This budget reflects the assumption that the Certified Tax Rate (the rate that will generate the same revenue budget as the previous year) will be adopted.

The chart below tracks changes for the selected sources of revenue from FY2012 actual revenue to FY2013 Budget to FY2013 Estimated and then to the FY2014 Budget.

Source of Revenue	FY 2012 Actual	FY 2013 Adopted	FY 2013 Estimated	Diff \$	2013 % Change	FY 2014 Budget	Diff \$	2014 % Change
Property Taxes	6,594,176	6,581,714	6,708,739	114,563	1.74%	6,586,714	-122,025	-1.82%
Motor Vehicle Fees	400,016	400,000	395,000	-5,016	-1.25%	395,000	0	0.00%
Sales Taxes	4,725,926	4,450,000	4,900,000	174,074	3.68%	4,900,000	0	0.00%
Other Taxes	596,585	584,000	635,000	38,415	6.44%	635,000	0	0.00%
Licenses / Permits	445,692	509,000	510,500	64,808	14.54%	495,000	-15,500	-3.04%
Class C Roads	1,067,518	1,113,500	1,048,500	-19,018	-1.78%	1,000,000	-48,500	-4.63%
Zoning / Subdivision Fees	180,299	100,500	200,110	19,811	10.99%	144,500	-55,610	-27.79%
Court Fines & Forfeitures	552,220	477,397	539,000	-13,220	-2.39%	530,000	-9,000	-1.67%

To fully understand the changes and why they are significant to this budget, please note that the differences between FY2012 actual and FY2013 estimate reflects very conservative budgeting of revenue. Actual final revenue for FY2013 may differ from the estimate. FY2013 actual trends also helped inform the FY2014 budget forecasts.

- Property taxes by law are kept at the same revenue generating level unless new growth has occurred. There was very slight new growth in FY2013. Actual collection of current revenue and delinquent revenue is up substantially. It is anticipated that the level of delinquencies or revenue from prior year taxes will decline in the future. The certified rates adjust in FY2014 to mathematically generate enough revenue to adjust for any loss and to maintain the base revenue. The overall FY2014 certified tax revenue will be adjusted over/under the actual budget because an

adjustment is made to account for the average of total delinquent taxes collected year over year. *These adjustments will be made in June, after this preliminary budget is presented.*

- Motor Vehicle fees (fee-in-lieu of property tax) appear to be leveling off at the estimated current year levels. It is predicted that this area will continue to be flat through FY2014
- Actual sales tax revenue in FY2012 far exceeded the FY2012 budget and the expected actual in FY2013 should far exceed the budget again. The FY2014 budgeted level is predicted to increase substantially because the budget reflects actual estimates of revenue instead of the very conservative level of previous years.
- Class C Roads revenue is budgeted to decline again. This source continues to decline, indicative of less gasoline taxes collected at the pump because automobiles continue to be more efficient and burn less fuel. Also, for Cottonwood Heights, another possible impact is our smaller percentage of lane miles compared yearly to the rest of the State that occurs because of growth in other areas.
- Other sources of revenue and any predicted changes reflect actual patterns that seem to be developing, some indicative of building activity improving but not significantly and slight fluctuations in business license fee revenue and other charges for services provided.

EXPENDITURE OVERVIEW

Expenditures by department were developed at levels necessary to meet the City Council expectations based on the goals and objectives established for FY2014.

Salaries and Benefits

Personal Services is the largest single component of the department budgets and have to be examined when budget decisions are made. Departments were charged with the responsibility to look at each program and make any changes necessary to combine effort or to eliminate work that no longer needed to be performed, to make additions needed to maintain service levels to citizens, and to examine the cost of services delivered in the City through contracted services.

The City does not use a formal merit based salary system. However, a result of the salary survey of comparisons to selected local jurisdictions from within Utah conducted in FY2012 and the results indicate that Cottonwood Heights is competitive with those entities as a whole, but individual salaries need to represent where they employee is on the learning curve toward midpoint (job market) levels.

Cost of living increases, based on the December 2012 over December 2011 CPI index, all goods and services, unadjusted, (1.7%) will be applied July 1, 2013 to all employees across the board. Additionally, employees below midpoint will be adjusted based on their individual job learning curve level.

In FY2012 the City began the year with a 60.9% increase in health insurance premiums. This experience based adjustment was eventually reduced to 22.3% increase. Dental rates also increased 8%. The City Council in FY2010 agreed to change the allocation of premiums from 90% city pays / 10% employee pays to 80% City pays / 20% employee pays beginning in FY2012. This decision was delayed during FY2012 because of the 60.9% expected rate increases. The city currently contributes 90%, and has decided to go to the 80/20 split in FY2014.

In FY2013 the City agreed to offer for the first time two options for health care insurance. The first was a "traditional" plan. After implementing some cost savings changes to the plan, the plan resulted in a .69% increase in the health insurance premium contributions over adjusted FY2012 levels. The second was a Qualified High Deductible Health Plan along with a Health Savings Account

(HSA). This plan resulted in a 7.77% decrease in the combined health insurance premium/HSA contribution over the adjusted FY2012 levels. The City participated in funding an employee HSA account. Overall, the estimated annual health plans premium costs to the city decreased 3.3%. The FY2014 estimate is for the city to experience a 19% increase in health insurance premiums, to be offset with a shift in employee participation of 20% compared to the current 10%. This is a substantial increase in the premiums paid by employees but is necessary to maintain the goals of the city of providing existing service levels to the taxpayers with no increase in taxes.

The dental plan premiums will not increase over the FY2013 levels.

No additional major benefit costs are scheduled to change significantly except for retirement rates as described next.

As mandated by the Utah State Legislature, through passage of the 2013-14 Utah State Retirement System (URS) rate schedule, the City will increase the percentage of (URS) contributions from 16.04% to 17.29% for the Tier 1 DB System noncontributory retirement system: Local Government Public Employees, and to remain at 32.20% for the Tier 1 DB System noncontributory retirement system: Other Division B with 2.5% COLA Public Safety Employees. These changes represent a 1.25 and 0.00 percentage point increase; which result in a 7.79% and 0.00% increase in the budgeted cost of Tier I URS contributions. These changes represent much lower rate increases than in previous years. This is somewhat different than what one might expect with the news about the condition of state managed retirement plans throughout the country. The State of Utah has been a leader in change to avoid collapse of the retirement program and its strategy is beginning to work. Time will tell if additional change is necessary.

The City does contribute through the URS on behalf of employees who had previously retired from a government position prior to employment with Cottonwood Heights (so called post-retired employees) prior to July 1, 2010. The City will provide through a 401-K the same percentage contributions for those City employees as defined by their individual contracts: 11.86% (CAP rate) for post retired from the public employees system and 25.49% (contract rate) for post retired from the public safety employees system.

The Tier 2 Hybrid retirement system: Local Government Public Employees or the Tier 2 Defined Contribution system: Local Government Public Employees will see rates change from 14.33% to 15.58% and the rates change from 21.80% to 21.60% for the Tier 2 Hybrid retirement system: Other Division B with 2.5% COLA Public Safety Employees or the Tier 2 Defined Contribution system: Other Division B with 2.5% COLA Public Safety Employees. These changes represent a 1.25% and - 0.20% percentage point decrease, which results in an 8.72% increase and 0.92% decrease in the budgeted costs of the Tier 2 URS contributions. Once again, these changes represent much lower rate increases than in previous years.

All new hires, after July 1, 2011 who were not previously employed with a participating employer and therefore a participant in the Tier 1 system will continue to be enrolled in the Tier 2 retirement system.

The following charts show the comparisons between the FY2012-13 and the FY2013-14 rates for retirement systems that currently impact Cottonwood Heights' employees.

Tier 1 Retirement Contribution Rates as a Percentage of Salary and Wages

Public Employees NonContributory System

Tier 1			rate change 1.25 % Change 7.79
2012-13 RATES			
Employee	Employer	Total	
-	16.04	16.04	
2013-14 RATES			
Employee	Employer	Total	
-	17.29	17.29	

Public Safety NonContributory System

Tier 1			rate change 0.00 % Change 0.00
2012-13 RATES (%)			
Employee	Employer	Total	
-	32.20	28.64	
2013-14 RATES (%)			
Employee	Employer	Total	
-	32.20	32.20	

Tier 2 Retirement Contribution Rates as a Percentage of Salary and Wages

Public Employees Non-Contributory System

Tier 2 Hybrid Retirement System					
2012-13 RATES (%)					
(1)	(2)	(3)	(4)	(5)	(6)
Employer	Hybrid Plan	Hybrid Plan			
Tier 2	BD Plan	DC Plan	Death	Tier 1	Total
Rate	Rate	Rate	Benefit*	Amortization %	(1)+(4)+(5)
10.00	8.41	1.59	0.15	4.18	14.33
2013-14 RATES (%)					
10.00	8.41	1.59	0.09	5.49	15.58

rate change 1.25

Tier 2 Defined Contribution Plan			
2012-13 RATES (%)			
(1)	(2)	(3)	(4)
Employer			
Tier 2	Death	Tier 1	Total
Rate	Benefit*	Amortization %	(1)+(2)+(3)
10.00	0.15	4.18	14.33
2013-14 RATES (%)			
10.00	0.09	5.49	15.58

rate change 1.25

Public Safety Non-Contributory System

Tier 2 Hybrid Retirement System					
2012-13 RATES (%)					
(1)	(2)	(3)	(4)	(5)	(6)
Employer	Hybrid Plan	Hybrid Plan			
Tier 2	BD Plan	DC Plan	Death	Tier 1	Total
Rate	Rate	Rate	Benefit*	Amortization %	(1)+(4)+(5)
12.00	10.91	1.09	0.19	9.61	21.80
2013-14 RATES (%)					
12.00	10.91	1.09	0.11	9.49	21.60

rate change -0.20

Tier 2 Defined Contribution Plan			
2012-13 RATES (%)			
(1)	(2)	(3)	(4)
Employer			
Tier 2	Death	Tier 1	Total
Rate	Benefit*	Amortization %	(1)+(2)+(3)
12.00	0.19	9.61	21.80
2013-14 RATES (%)			
12.00	0.11	9.49	21.60

rate change -0.20

Staffing

There is one change in the overall staffing: adding a .48 FTE Police Records Clerk. Additionally, moving the Public Relations Specialist from the City Manager's Office to Administrative Services, and moving the Office Assistant II from Administrative Services to Community and Economic Development (Business Licensing).

Contracts for Service

The contract with the United Fire Authority will go up for the second time in five years. The change will be 6.57 percent, which is \$200,000 over the FY2013 budgeted level. This increase is partially offset by a 6.57 percent increase in the intergovernmental cooperative agreement with the City of Holladay, which reimburses the City each year for "first in" responses from Cottonwood Heights' fire stations into Holladay. The increase in this reimbursement is \$10,250.

Capital Improvements Program (CIP)

The FY2013 Capital Improvements Program (CIP) will be funded at levels permitted by utilizing a current year contribution from the General Fund Balance and estimated unspent CIP project balances from prior years. Surpluses identified from completed projects are added and allocated to other new/existing projects by amendment during the fiscal year.

GENERAL FINANCIAL OVERVIEW

Cottonwood Heights has approximately eight and one-half years of history from its inception to the beginning of FY2014. There are approximately seven and one-half years of actual expenditures and one year of estimated actual expenditures to compare to the proposed budget. The following chart compares the last two years of actual revenue and expenditure history; FY2011, FY2012, and FY2013 adopted, along with the FY2013 estimated actual to the FY2014 budget.

GENERAL FUND

	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
REVENUE	\$14,810,833	\$14,815,004	\$14,484,288	\$15,146,253	\$14,945,194	-1.33%
EXPENDITURES	13,243,335	13,400,125	14,484,288	14,407,435	14,945,194	3.73%
Revenue Over (Under) Expenditures	\$1,567,498	\$1,414,879		\$738,818		-100.00%
Add Other Financing Sources:						
Impact Fees	\$167,015		\$45,000	\$45,000	\$45,000	0.00%
Proceeds From Capital Lease				1,142,555		-100.00%
Sale of Capital Assets		14,800		10,500		-100.00%
Beginning Unspendable Prepaids				53,596		
Beginning Assigned Fund Balance	811,287	857,894	864,741	871,757	871,757	
Beginning Unassigned Fund Balance	1,171,153	2,189,600	1,881,685	1,821,073	1,195,041	0.00%
Sub Total	\$2,149,455	\$3,062,294	\$2,791,426	\$3,944,481	\$2,111,798	-46.46%
Subtract Other Financing Uses:						
Transfer to Capital Projects Fund	\$669,459	\$1,730,747	\$802,392	\$1,485,423	\$895,000	-39.75%
Aquisition of Leased Assets				1,131,078		-100.00%
Unspendable Prepaids						
Restricted Awarded Asset Seizures						
Unexpended Class C Road Funds						
Assigned Fund Balance						0.00%
Unassigned Fund Balance						
Sub Total	\$669,459	\$1,730,747	\$802,392	\$2,616,501	\$895,000	-65.79%
Ending Fund Balance	\$3,047,494	\$2,746,426	\$1,989,034	\$2,066,798	\$1,216,798	-41.13%
Net Change in Fund Balance	\$1,065,054	-\$301,067	-\$757,392	-\$679,628	-\$850,000	25.07%

CAPITAL PROJECTS FUND

Interest Revenue	\$34,473	\$28,092	\$35,000	\$35,000	\$35,000	0.00%
Grant Revenue	145,800			200,000		-100.00%
Total Revenue	180,273	28,092	35,000	235,000	35,000	-85.11%
Other Financing Sources:						
Impact Fees		25,185		45,000		
Beginning Balance Carryover	7,238,782	5,799,508	3,275,021	3,911,972	3,653,822	-6.60%
Transfers From General Fund	669,459	1,730,747	802,392	1,440,423	895,000	-37.87%
In-kind contribution						
Total Available	\$8,088,514	\$7,583,532	\$4,112,413	\$5,632,395	\$4,583,822	-18.62%
Expenditures	\$2,289,006	\$3,671,559	\$4,112,413	\$1,880,773	\$4,583,822	143.72%
Balance remaining to carryover	\$5,799,508	\$3,911,972		\$3,751,622		

By comparing a summary of the 2011 through 2012 actual revenue and expenditures with the estimated 2013 revenue and expenditures and the adopted 2014 budgets we acquire a good understanding of the big picture and a general overview of the City's revenue and expenditures in this budget. The preceding chart makes that comparison.

To further understand this budget the Capital Projects Fund and the General Fund must be viewed together. The Capital Projects Fund has no revenue source other than potential grants and interest earnings and must receive transfers from the General Fund for resources to finance its expenditures.

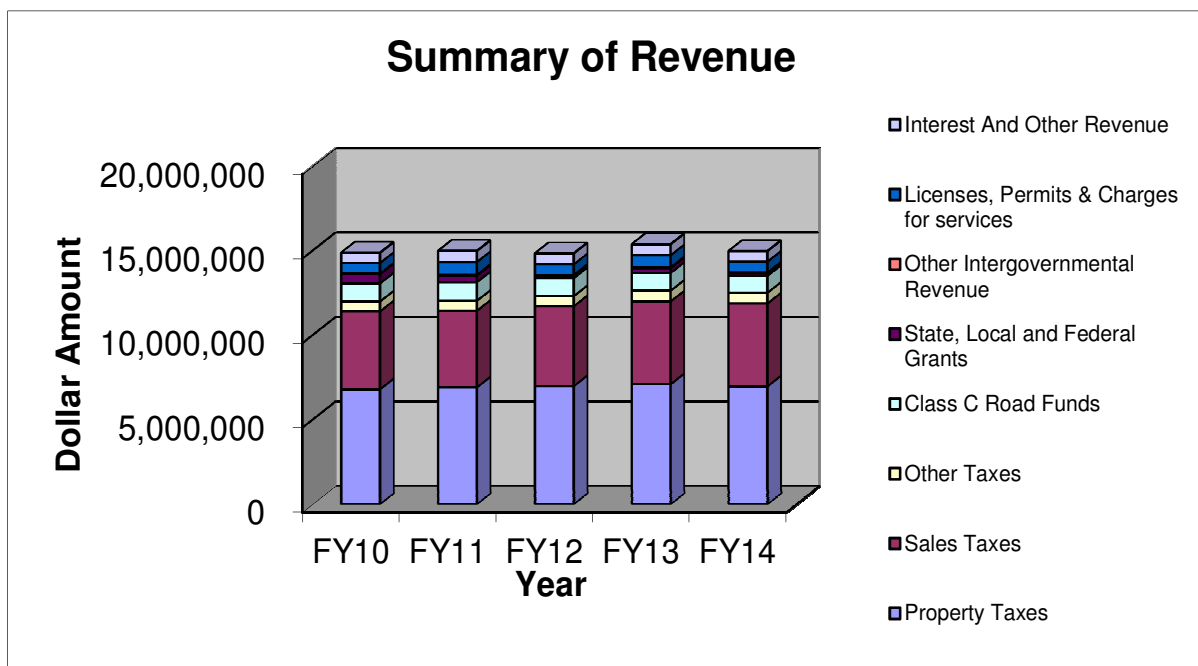
The preceding table shows that the proposed appropriated transfer from the General Fund to the Capital Projects Fund is \$895,000 in FY2014, or \$590,423 less than estimated in FY2013. Most of the transfer amount comes from FY2013 year-end General Fund unassigned fund balance. It is common practice to use these available resources for CIP needs. Additionally, remaining unspent CIP Project balances will be carried forward to FY2014 as well.

The following are summaries and charts comparing the governmental fund (all appropriated funds) revenue and expenditures beginning with FY2009 and ending with FY2013.

Since the City's beginning expenditures have remained relatively flat with two notable exceptions: 1) the costs associated with start up of the police department in FY2008 and FY2009, and 2) fluctuating expenditures on capital improvements. Expenditures have targeted enhancing public safety services, improving the city infrastructure, most notably parks, trails, and open space, to better serve the citizenry, and enhanced communication methods to aid the citizenry in knowing what is happening in their City.

**GOVERNMENTAL FUNDS (COMBINED)
SUMMARY OF REVENUE**

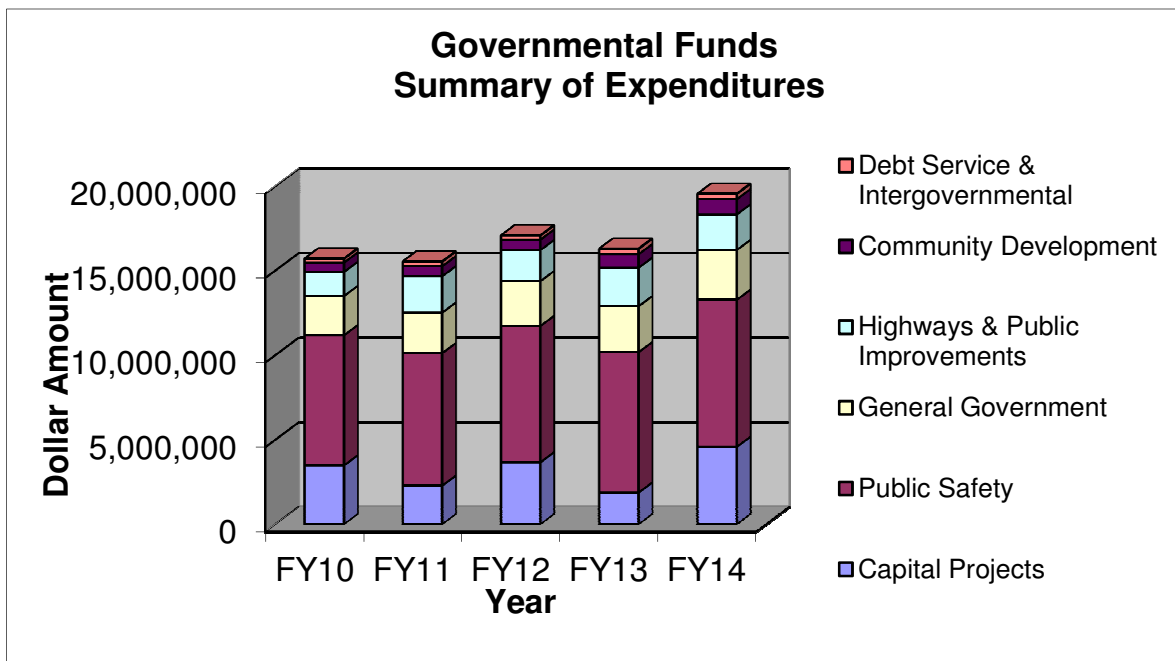
	Actual FY10	Actual FY11	Actual FY12	Estimated FY13	Budgeted FY14
Property Taxes	6,812,943	6,926,106	6,994,192	7,103,739	6,981,714
Sales Taxes	4,607,702	4,531,512	4,725,926	4,900,000	4,900,000
Other Taxes	583,738	589,232	596,586	635,000	635,000
Class C Road Funds	1,068,952	1,099,462	1,067,518	1,048,500	1,000,000
State, Local and Federal Grants	546,774	390,686	142,068	287,818	154,055
Other Intergovernmental Revenue	35,236	46,230	43,515	43,595	43,500
Licenses, Permits & Charges for services	628,202	758,562	625,991	717,035	645,000
Interest And Other Revenue	600,067	649,316	647,300	645,566	620,925
Total Revenue	14,883,613	14,991,106	14,843,096	15,381,253	14,980,194



**GOVERNMENTAL FUNDS
SUMMARY OF EXPENDITURES***

	Actual FY10	Actual FY11	Actual FY12	Estimated FY13	Budgeted FY14
Capital Projects	3,488,837	2,289,006	3,671,559	1,880,773	4,583,822
Public Safety	7,692,863	7,836,497	8,058,016	8,299,440	8,693,495
General Government	2,319,112	2,392,086	2,649,142	2,714,407	2,943,197
Highways & Public Improvements	1,420,588	2,152,392	1,835,285	2,276,365	2,095,836
Community Development	554,088	590,357	612,898	795,233	902,296
Debt Service & Intergovernmental	229,200	272,003	244,783	321,990	310,370
Total	15,704,687	15,532,341	17,071,683	16,288,208	19,529,016

*Expenditures do not include interfund transfers. In FY2014 there are \$895,000 of General Fund transfers to the CIP Fund.



CONCLUSION

I'm pleased to present this amended FY2012-13 and adopted FY2013-14 budget to you. I thank the Mayor, Council, and City Manager for their interest and support guiding the preparation of this budget document, and each department director for their input and cooperation in the development of this budget, and the Finance Staff for their assistance during the development of this budget.

Steve L. Fawcett
Budget Officer



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Cottonwood Heights, Utah** for the Annual Budget beginning **July 01, 2012**. This is the sixth consecutive year the city has earned this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a **policy document**, as an **operations guide**, as a **financial plan**, and as a **communications device**. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

FY 2013 – 14 OPERATING AND CAPITAL BUDGET

General Fund
Revenue and Other Sources with Impact on Fund Balance

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
BEGINNING FUND BALANCE	1,982,440	3,047,494	2,746,426	2,746,426	2,066,798 *	-24.75%
REVENUES						
TAXES						
Real Property Taxes	6,499,957	6,594,176	6,581,714	6,708,739	6,586,714	-1.82%
General Sales and Use Taxes	4,531,512	4,725,926	4,450,000	4,900,000	4,900,000	0.00%
E911 Emergency Telephone Fees	294,601	294,517	300,000	320,000	320,000	0.00%
Fee-In-Lieu of Property Taxes	426,149	400,016	400,000	395,000	395,000	0.00%
Franchise Taxes - Cable TV	267,999	278,444	264,000	295,000	295,000	0.00%
Innkeeper Tax	26,632	23,625	20,000	20,000	20,000	0.00%
Total Taxes	12,046,850	12,316,704	12,015,714	12,638,739	12,516,714	-0.97%
LICENSES AND PERMITS						
Business Licenses and Permits	233,246	217,422	220,000	220,000	220,000	0.00%
Buildings, Structures and Equipment	259,612	174,746	220,000	250,000	235,000	-6.00%
Performance Bonds - Forfeited	0	0	0	0	0	0.00%
Road Cut Fees	51,461	43,352	60,000	30,000	30,000	0.00%
Animal Licenses	11,151	10,172	9,000	10,500	10,000	-4.76%
Total Licenses and Permits	555,469	445,692	509,000	510,500	495,000	-3.04%
INTERGOVERNMENTAL REVENUE						
Federal Grants	190,914	64,875	181,580	35,848	154,055	329.75%
State Grants	40,018	54,222	0	27,380	0	-100.00%
Class C Roads	1,099,462	1,067,518	1,113,500	1,048,500	1,000,000	-4.63%
Liquor Fund Allotment	46,230	43,515	45,000	43,595	43,500	-0.22%
Local Grants	13,954	22,971	0	24,590	0	-100.00%
Total Intergovernmental Revenues	1,390,578	1,253,101	1,340,080	1,179,913	1,197,555	1.50%
CHARGES FOR SERVICE						
Zoning and Sub-division Fees	203,093	180,299	100,500	200,110	144,500	-27.79%
Pavillion Fees	0	0	0	5,424	5,500	1.40%
Other Charges for Services	0	0	0	1,000	0	-100.00%
Total Charges for Services	203,093	180,299	100,500	206,534	150,000	-27.37%
FINES AND FORFEITURES						
Courts Fines	546,834	552,220	477,397	539,000	530,000	-1.67%
Total Fines and Forfeitures	546,834	552,220	477,397	539,000	530,000	-1.67%
MISCELLANEOUS REVENUE						
Interest Revenues	12,300	25,843	14,000	19,462	20,000	2.76%
Miscellaneous Revenues	55,709	41,145	27,597	52,105	35,925	-31.05%
Total Miscellaneous Revenue	68,009	66,988	41,597	71,567	55,925	-21.86%
TOTAL REVENUES	14,810,833	14,815,004	14,484,288	15,146,253	14,945,194	-1.33%

* Estimated based on 2013 year end estimated revenue and expenses

General Fund
Revenue and Other Sources with Impact on Fund Balance

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
OTHER FINANCING SOURCES						
IMPACT FEES						
Storm Water Impact Fees	16,898	0	20,000	20,000	20,000	0.00%
Transportation Impact Fees	150,117	0	25,000	25,000	25,000	0.00%
Total Impact Fees	167,015	0	45,000	45,000	45,000	0.00%
OTHER SOURCES						
Sale of Capital Assets	0	14,800		10,500	0	-100.00%
Proceeds from Capital Leases	0	0	0	1,142,555	0	-100.00%
Total Other Sources	0	14,800	0	1,153,055	0	0.00%
FUND BALANCE						
General Fund	1,982,440	3,047,494	2,746,426	2,746,426	2,066,798	-24.75%
Total Beginning Fund Balance	1,982,440	3,047,494	2,746,426	2,746,426	2,066,798	-24.75%
TOTAL OTHER FINANCING SOURCES	2,149,455	3,062,294	2,791,426	3,944,481	2,111,798	-46.46%
GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES						
	16,960,289	17,877,298	17,275,714	19,090,734	17,056,992	-10.65%

General Fund
Expenditures and Other Uses with Impact on Fund Balance

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
EXPENDITURES						
GENERAL GOVERNMENT						
LEGISLATIVE						
Mayor & City Council	558,662	467,923	624,589	493,057	622,303	26.21%
Planning Commission	4,970	4,759	9,950	4,759	6,000	26.08%
Legislative Committees & Special Bodies	92,181	102,880	112,500	105,000	119,500	13.81%
Total Legislative	655,813	575,563	747,039	602,816	747,803	24.05%
JUDICIAL						
Court, Prosecutor & Defender	308,659	351,428	257,000	367,000	370,000	0.82%
Total Judicial	308,659	351,428	257,000	367,000	370,000	0.82%
EXECUTIVE & GENERAL GOVERNMENT						
City Manager & General Government	521,126	594,828	731,106	709,784	667,494	-5.96%
Emergency Management	0	51,145	31,600	24,455	31,600	29.22%
Information Technology	103,881	119,791	152,500	107,500	71,100	-33.86%
Total Executive & General Government	625,007	765,764	915,206	841,739	770,194	-8.50%
ADMINISTRATIVE OFFICES						
Finance	292,152	263,385	324,590	320,064	327,616	2.36%
Attorney	221,224	347,884	205,936	235,936	229,182	-2.86%
Administrative Services/Recorder	289,232	319,551	353,152	346,852	421,402	21.49%
Elections	0	25,568	0	0	77,000	-100.00%
Business Licensing						
Total Administrative Offices	802,607	956,388	883,678	902,852	1,055,200	16.87%
Total General Government	2,392,086	2,649,142	2,802,923	2,714,407	2,943,197	8.43%
PUBLIC SAFETY						
Police	4,486,785	4,909,570	4,985,572	4,944,725	5,094,797	3.03%
Fire	3,204,815	2,998,505	3,215,907	3,213,044	3,443,657	7.18%
Ordinance Enforcement	144,898	149,941	176,571	141,671	155,041	9.44%
Total Public Safety	7,836,497	8,058,016	8,378,050	8,299,440	8,693,495	4.75%
HIGHWAYS AND PUBLIC IMPROVEMENTS						
Public Works (non-Class C)	760,999	886,088	1,144,212	1,227,865	1,095,836	-10.75%
Impact Fee Program	167,015	0	45,000	0	0	100.00%
Class C Road Program	1,224,378	949,198	1,113,500	1,048,500	1,000,000	-4.63%
Total Highways and Public Improvements	2,152,392	1,835,285	2,302,712	2,276,365	2,095,836	-7.93%
COMMUNITY AND ECONOMIC DEVELOPMENT						
Planning	553,527	583,548	642,600	367,600	420,296	14.34%
Economic Development	36,830	29,350	47,633	27,633	47,000	70.09%
Engineering	0	0	0	400,000	435,000	8.75%
Total Community & Economic Development	590,357	612,898	690,233	795,233	902,296	13.46%

General Fund
Expenditures and Other Uses with Impact on Fund Balance

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
LEASE EXPENSE						
Interest and Principal	272,003	244,783	310,370	321,990	310,370	-3.61%
Total Lease Expense	272,003	244,783	310,370	321,990	310,370	-3.61%
OTHER & INTERGOVERNMENTAL EXPENDITURES						
Police Vehicles	0	0	0	1,131,078	0	-100.00%
Total Intergovernmental Expenditures	0	0	0	1,131,078	0	-100.00%
TOTAL EXPENDITURES	13,243,336	13,400,125	14,484,288	15,538,513	14,945,194	-3.82%
OTHER USES						
Transfers to Cap Improvement Fund	669,459	1,730,747	802,392	1,485,423	895,000	-39.75%
Total Other Financing Uses	669,459	1,730,747	802,392	1,485,423	895,000	-39.75%
TOTAL OTHER (USES)	669,459	1,730,747	802,392	1,485,423	895,000	-39.75%
GRAND TOTAL BUDGETED EXPENDITURES AND OTHER USES	13,912,795	15,130,872	15,286,680	17,023,936	15,840,194	-6.95%
TOTAL ENDING FUND BALANCE	3,047,494	2,746,427	1,989,034	2,066,798	1,216,798	-41.13%
NET CHANGE TO FUND BALANCE	1,065,054	(301,066)	(1,058,459)	(679,629)	(850,000)	25.07%

CITY OF COTTONWOOD HEIGHTS
FY2013-14 ANNUAL OPERATING AND CAPITAL BUDGET

OPERATING AND CAPITAL BUDGET

COTTONWOOD HEIGHTS
Capital Projects Fund

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
REVENUES						
State Government Grants	0	0	0	200,000	0	-100.00%
Federal Government Grants	145,800	0	0	0	0	0.00%
Impact Fees	0	25,185	0	0	0	0.00%
Interest Revenues	34,473	28,092	35,000	35,000	35,000	0.00%
TOTAL REVENUES	180,273	53,277	35,000	235,000	35,000	-85.11%
OTHER FINANCING SOURCES						
Transfers from General Fund						
Class C Road	0	78,355	0	112,353	0	-100.00%
Impact Fees - Storm Water	0	0	0	25,000	25,000	0.00%
Impact Fees - Transportation	0	0	0	20,000	20,000	0.00%
General Fund Other	669,459	1,652,392	802,392	1,328,070	850,000	-36.00%
In-Kind Capital Contribution	0	0	0	0	0	0.00%
Resticted Fund Balance:						
Federal Grants	0	0	0	0	0	0.00%
Unreserved Fund Balance:						
City Center/Parks	5,461,568	2,294,711	2,294,711	3,071,688	1,796,767	33.86%
Other Unreserved Fund Balance	1,777,214	3,504,797	980,310	840,284	1,857,055	-14.28%
TOTAL OTHER SOURCES AVAILABLE	7,908,241	7,530,255	4,077,413	5,397,395	4,548,822	32.37%
TOTAL REVENUE/OTHER SOURCES	8,088,514	7,583,532	4,112,413	5,632,395	4,583,822	36.96%
EXPENDITURES						
Pavement Maintenance	461,971	481,536	300,000	339,856	434,000	27.70%
ADA Ramps	35,162	42,023	67,348	38,500	65,000	68.83%
FT Union Level Course	362,509	0	0	0	0	0.00%
Intersection Improvements	32,933	46,481	28,193	37,656	0	-100.00%
Infrastructure Mapping	0	0	0	0	0	0.00%
Bus Bench Installation	0	0	0	0	0	0.00%
Traffic Calming	16,969	10,449	97,256	0	54,000	100.00%
Timberline Trailhead	400	0	0	0	0	0.00%
Storm Drain Improvements	49,567	0	0	25,000	25,000	0.00%
Caballero Storm Drain	0	0	0	0	0	0.00%
Reindeer Storm Drain	1,800	0	0	0	0	0.00%
Cross Gutter Replacement	32,683	39,268	38,000	38,299	42,000	9.66%
Big Cottonwood Canyon Trail	120,293	75,224	386,831	386,831	196,000	-49.33%
Parks, Trail and Open Space	0	0	0	0	0	0.00%
Traffic Signal Upgrades	21,280	22,669	30,000	0	0	0.00%
Street Lighting Program	24,894	3,876	161,345	0	0	0.00%
Bridge Rehabilitation	0	0	0	0	0	0.00%
Danish Road Project	4,124	14,623	146,571	49,204	0	-100.00%
Transportation Plan Update	0	0	0	0	0	0.00%
Storm Water Plan Update	20,215	0	0	0	0	0.00%
FT Union Timing Study	0	0	0	0	0	0.00%
Storm Drain Cleaning & Maintenance	0	0	0	0	0	0.00%
Park Improvements	0	0	0	0	0	0.00%
Sidewalk Replacement	47,817	58,536	50,000	50,000	50,000	0.00%
3000 East Reconstruction	0	0	0	0	0	0.00%
EECBG Milne Dr/Danville/Deer	3,577	4,200	0	0	0	0.00%
Cr/Timberline Lighting	0	0	0	0	0	0.00%
Clean Vehicle Fuel	0	0	0	0	0	0.00%
Street Sign Upgrades	(126)	0	0	0	0	0.00%
Union Park Gateway Study	0	0	0	5,075	0	-100.00%
Highland Drive Landscaping	48,415	38	0	0	0	0.00%
Old Mill Pond Wall (Fence)	49,155	0	0	0	0	0.00%
Public Works Site	337,157	13,039	30,000	0	877,605	100.00%

CITY OF COTTONWOOD HEIGHTS
FY2013-14 ANNUAL OPERATING AND CAPITAL BUDGET

OPERATING AND CAPITAL BUDGET

COTTONWOOD HEIGHTS
Capital Projects Fund

Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
Safe Routes to School	7,640	0	34,393	0	0	0.00%
Prospector Trailhead	29,951	347	0	0	0	0.00%
Brighton Way Storm Drain	1,725	0	0	0	0	0.00%
Deville Dr. Storm Drain	13,408	0	0	0	0	0.00%
Butler Hills Storm Drain	27,606	0	0	0	0	0.00%
East Jordan Canal	15,030	61	0	0	0	0.00%
Traffic Calming-Rolling Knolls Area	20,224	4,388	0	24,575	0	-100.00%
7200 S. Sidewalk	1,313	0	66,000	40,000	0	-100.00%
Hazard Mitigation	0	0	0	75,000	0	-100.00%
2300 E. Storm Drain	710	187,925	0	390	0	-100.00%
EECBG Bouchelle Lighting	12,323	0	0	0	0	0.00%
EECBG Staker Way Lighting	0	0	0	0	0	0.00%
EECBG Park Centre Dr Lighting	137,895	42,295	0	0	0	0.00%
EECBG 1300 E. Lighting	4,053	21,234	0	0	0	0.00%
Water Vista/Little Cottonwood St Drain	0	20,829	0	0	0	0.00%
Miscellaneous Small Projects	20,135	80,293	189,022	44,235	85,000	92.16%
Mountview Park	5,925	2,479,939	0	102,104	0	-100.00%
2325 E. Traffic Calming	0	0	0	20,148	0	-100.00%
1700 E.Reconstruction	0	0	0	180,500	0	-100.00%
Union Park Landscaping/Access Mgmt	0	0	0	200,000	135,400	-32.30%
Pine Knot Dr. Storm Drain	0	0	0	69,000	0	-100.00%
Heughs Canyon Storm Drain	0	0	0	11,400	0	-100.00%
Butler Middle School Auditorium	0	0	0	138,500	500,000	261.01%
Traffic Adaptive Control	0	0	0	0	139,050	100.00%
Pippen Drive Storm Drain Improvements	0	0	0	0	184,000	100.00%
Special Neighborhood Issues Project	0	18,097	142,743	0	0	0.00%
Comprehensive CIP Sustainability Plan	0	0	50,000	0	0	0.00%
City Center and Parks Development	320,276	4,191	2,294,711	4,500	1,796,767	39828.16%
TOTAL EXPENDITURES	2,289,006	3,671,561	4,112,413	1,880,773	4,583,822	143.72%
Excess of Revenue and Other Funding Sources over/(under) Expenditures and Other Uses	5,799,509	3,911,972	0	3,751,622	0	

COTTONWOOD HEIGHTS
Employee Benefits Fund (an Internal Service Fund)

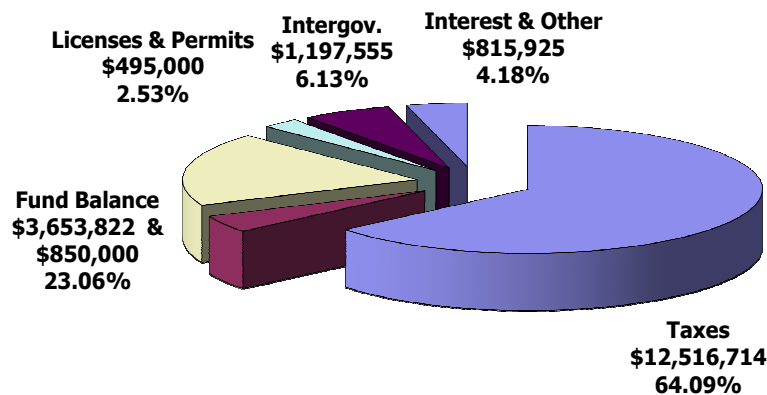
Description	2010-11 Year Actual	2011-12 Year Actual	2012-13 Year Adopted	2012-13 Year Estimated Actual	2013-14 Year Budget	2013 Estimate to 2014 Budget % Change
REVENUE AND OTHER SOURCES						
Charges for Employee Benefits	59,112	16,472	104,371	104,371	104,371	0.00%
Interest Revenue	912	1,625	900	900	900	0.00%
Total Revenue	60,024	18,097	105,271	105,271	105,271	0.00%
Beginning Balance to Appropriate	171,215	231,239	231,239	249,335	249,335	0.00%
TOTAL REVENUE & OTHER SOURCES	231,239	249,336	336,510	354,606	354,606	0.00%
EXPENSES AND OTHER USES						
Employee Benefits	60,024	18,097	105,271	105,271	105,271	0.00%
Total Expense	60,024	18,097	105,271	105,271	105,271	0.00%
PTO Accrual-Future Liab. Carryover	171,215	231,239	231,239	249,335	249,335	0.00%
TOTAL EXPENSES & OTHER USES	231,239	249,336	336,510	354,606	354,606	0.00%
NET ASSETS						
Net Assets Beginning	171,215	231,239	249,335	354,606	459,877	29.69%
Net Assets Ending	231,239	249,336	354,606	459,877	565,148	22.89%
Expected Current Year-end Liability Balance	231,239	249,336	354,606	459,877	565,148	22.89%

WHERE DO THE FUNDS COME FROM

The following chart and pie graph summarizes the 2013 total revenue and other sources

COTTONWOOD HEIGHTS 2014 TOTAL REVENUE & OTHER FINANCING SOURCES	
Taxes	\$12,516,714
Fund Balance	\$4,503,822
Licenses & Permits	\$495,000
Intergovernmental	\$1,197,555
Interest & Other	\$815,925
	\$19,529,016
Total Revenue	\$14,980,194
Fund Balance	\$4,503,822
Other Sources	\$45,000
	\$19,529,016

TOTAL REVENUE AND OTHER SOURCES BUDGETED IN FY2014



The preceding graph shows all of the revenue and other sources that finance the budgets of the governmental funds. Of the total; 1)current revenue is \$14,980,194; 2)other sources (Impact fees) are \$45,000 and (transfers to the Capital Improvement Fund from the General Fund) are \$850,000; 3)General Fund balance is \$850,000 which includes the total transfer to CIP of \$895,000 and; 4)unspent Capital Project balances carried forward as Capital Improvement Fund Balance is \$3,653,822.

Taxes and intergovernmental revenue total \$13,714,269 and represents 70.23% of all budgeted sources.

MAJOR REVENUE SOURCES

Property tax, including Motor Vehicle (Fee-in-Lieu) and Sales tax are the two most significant revenue sources for Cottonwood Heights, representing 79.5% of total current revenue. Property tax, including Motor Vehicle is 46.7% of total current revenue and Sales tax is 33.8%.

PROPERTY TAX REVENUE AND THE PROPERTY TAX RATE

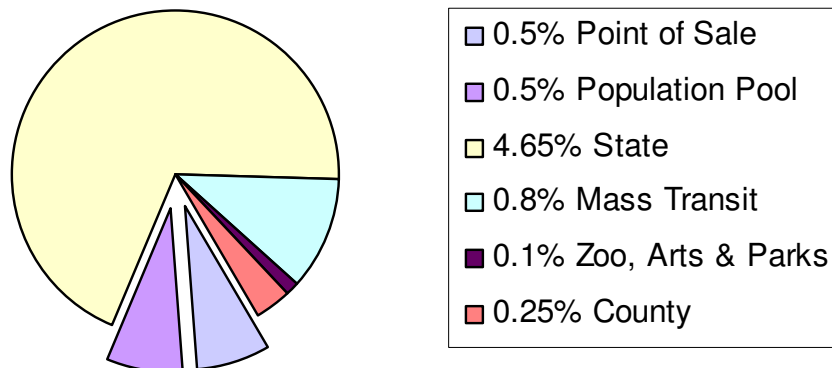
Property tax for Utah local governments is regulated by Utah State law collectively referred to as Truth-in-Taxation legislation or law. This law requires each county auditor, under the supervision of the State Tax Commission, to calculate a certified tax rate for each local government that assesses a property tax. This certified tax rate is a rate that will give the local government approximately the same amount of property tax revenue as it received the previous year plus taxes generated by applying the rate to "new growth." "New growth" is calculated by a formula that combines the following: 1) Current taxable values, 2) Changes in value as the result of general inflation/deflation factoring, 3) Changes in value as a result of reappraisals and 4) Less the prior years taxable value. The net amount that this formula produces either positive or negative is "new growth" as defined by the Truth-in-Taxation law. Taxpayers throughout the state generally accept the fact that the "certified rate" is the minimum required to sustain the current local government service level. The City Council has determined that the city will not exceed the "certified tax rate." The predetermined decision not to exceed the "certified tax rate" makes estimating property tax revenue a process of simply calculating the revenue from the taxable values and "certified rate" supplied by the county auditor. Property tax assessed and collected for the calendar year 2013 provides the revenue to finance the fiscal 2014 budget year. Property is valued as of January 1st each year, rates are set before the end of August and taxes are due November 30. Because the City operates on a fiscal year basis, the payment of 2013 calendar year taxes falls in the 2014 fiscal year of the City. The County Assessor determines a taxable value including "new growth" and the County Auditor calculates the "certified tax rate." The certified tax rate is available by June 8 each year, and is accessible through the State Tax Commission website. Property tax revenue is calculated using this known information and it will prove to be an accurate estimate. Taxpayer appeals to the county board of equalization, a delinquency rate that may depart from the five year average delinquency rate used in the (certified tax rate) calculations or a variance in estimated delinquent collections will cause actual revenue to vary from the estimate. The estimated property tax revenue amount generated by the rate of .002586 in the FY2012 budget was \$6,437,173. The certified tax rate for Tax Year 2013 is .002654 and will generate a budget of \$6,431,714. New growth was calculated to be \$3,090,639 of certified tax rate value. This new growth value added \$8,203 of tax rate base revenue. FY2014 rates are not yet available.

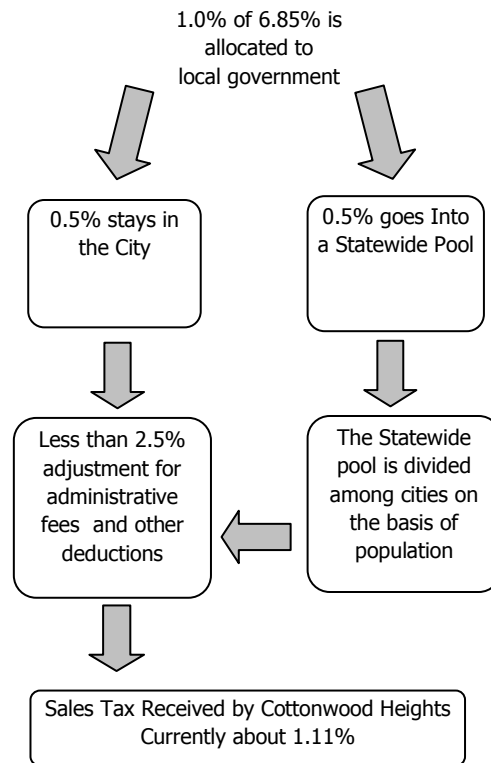
The city also collects a Motor Vehicle Fee, referred to as the "Fee-in-Lieu" of property tax on automobiles and light trucks. This fee is collected according to a state-wide fee schedule. In this budget the amount estimated is \$395,000. The amount of Motor Vehicle revenue available to all property tax collecting entities is determined by the number of automobiles and light trucks in the county and their age. The distribution of the amount to each entity in the county is determined by the proportion that each property tax is of the total property tax in the county. Information is not accurately available on either of these two factors that determine Cottonwood Heights' revenue from this source. Throughout the early history of the city, this revenue was approximately \$500,000 but since 2009 dropped each year until FY2012 when we saw a slight leveling off. Projections for FY2014 have this source of funding decreasing 1.25%. Several factors can and do influence the revenue received from Motor Vehicle Fees, such as new vehicle sales and newer vehicle renewals, and the total number of vehicles registered per household.

SALES TAX REVENUE

The following pie chart explains the distribution of total sales tax which is collected on most taxable sales within Cottonwood Heights. Of the total 6.85% collected by the State Tax Commission on sales within Cottonwood Heights, one percent goes to local government. Of this one percent, one half percent is paid to the City based on sales in the city and the other one half percent is paid into a state pool and distributed to taxing entities based on population. *Please see flow chart below.* Cottonwood Heights receives more from the state pool than is contributed to the pool from sales in the city. In FY2013, Cottonwood Heights has collected through May an average 1.106% of sales taxes generated within the city. This average of 1.065% compares to 1.117% for FY2012 and 1.101% in FY2011. Cottonwood Heights' percent of the total Utah population is declining therefore the amount of sales tax revenue received as a percent of that contributed to the pool is gradually declining. Estimates of sales tax revenue are affected by many factors; sales in the city, sales in the state, and Cottonwood Heights' population as a percent of state population. From data gathered from the Utah State Tax Commission actual distributions of Sales and Use Taxes for FY2010 declined 5.6% compared to FY2008. Sales Tax distributions to all Cities and Towns state wide declined 6.6 % in FY2009 as compared to FY2008. The current Utah State Tax Commission data indicates that FY2012 year to date total statewide sale tax distributions increased 6.54% over FY2011. FY2013 year to date data indicates a statewide average increase in the first nine months of 7.98%. However, Cottonwood Heights as a percent of the state population (the population factor) decreased from an average factor of 1.36% for 2008 to a factor of 1.33% for 2009, 1.29% for 2010, and 1.27% for 2011, 1.21% in 2012 and 1.21% in FY2013. Based on these trends, and budgeting very conservatively, FY2011 sales tax revenue was projected at \$3.9 million, but was adjusted to \$4.18 million. Actual collections were \$4.5 million. FY2012 projection was set at \$4.3 million and actual collections were \$4.7 million. FY2013 sales tax revenue is projected at \$4.90 million. FY2014 budget is set at \$4.9 million. Sales tax revenue began to decrease in September 2008 and that decrease has appeared to have leveled off. The budget projection for 2014, anticipates the sales tax revenue to the city to continue to improve slightly.

6.85% is collected on all applicable sales in the city





*The 2.5% is the amount that the law allows the State Tax Commission to deduct for collection and administration. Note: The combined tax rate on food and food ingredients is 3% but the city's rate is still 1%.

INTERGOVERNMENTAL REVENUE AND OTHER REVENUE

Other than taxes and fund balances, intergovernmental revenue is the remaining major funding source of the governmental fund budgets. Intergovernmental revenue (\$1,197,555) is 8.01% of total revenue. Included in the \$1,197,555 is the federal CDGB grants of \$131,780 and a state Liquor Fund allotment of \$43,500. The remaining \$1,022,275 is \$1,000,000 of estimated Class C road fund revenue used to finance maintenance/construction of streets including street lights and sidewalks, and \$22,275 anticipated from the State of Utah federal pass-through for support of the Crime Victims Advocate position. The \$1,000,000 in Class C Road funds is 6.69% of total revenue used to support governmental fund budgets. This revenue is Cottonwood Heights' share of the state taxes collected from the sale of motor fuels. Fifty percent of the amount distributed by the state to cities and counties is based on population and fifty percent is based on weighted road miles. The weighting is based on type of road surface. The first full year that Cottonwood Heights collected this revenue was 2006. In 2007, this revenue source decreased compared to 2006 because of a change in distribution timing which distributed thirteen months revenue into 2006. In 2008 this revenue source decreased approximately 2%. Even though there was a 1.49% increase in total distribution, less was received because of a decline in population as a percentage of total state population and a reduction in road miles. The reduction in road miles was caused by the removal of some private streets previously counted as city streets. The first eight months of 2009 revenue decreased 7.65% compared to the same period of 2008. For the same period state wide revenue decreased 1.28%. A new hold harmless feature in the distribution formula took \$22,855 from Cottonwood Heights and redistributed it to some counties and also Cottonwood Heights' population as a percentage of the State population continues to decline. The FY2010 budget for class C road fund revenue was projected to be

\$1,189,500, a 3.43 % increase over 2009 based on a 5% increase in total amount distributed, but partly offset by a continuing decrease in the city's share of the distribution. This budget was subsequently reduced to \$931,366. Actual collections in 2010 were \$1,068,952, and \$1,099,462 in FY2011. The FY2012 budget was approved at \$1,113,500 and \$1,067,518 was collected. The FY2013 budget is \$1,113,500 and is projected to be \$1,048,500. This continuation of declining revenue prompted the conservative budget of \$1,000,000 in FY2014.

Other revenue estimates are based on a projection of recent past experience. Economic conditions are slowly improving and so is revenue from building permits, zoning and subdivision fees, and interest earnings. The 2014 budget is built on the assumption that the increases in building and construction economic conditions during the past year will continue but not grow.

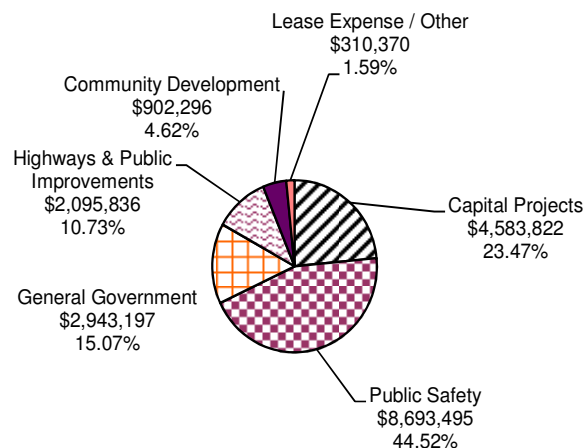
TOTAL EXPENDITURES AND OTHER USES FOR GOVERNMENTAL FUNDS

The following chart and pie graph summarize FY2014 total governmental fund expenditures

COTTONWOOD HEIGHTS 2013 BUDGETED EXPENDITURES

Description	Dollar Amount	Percentage
Capital Projects New and Carryover	\$4,112,413	22.11%
Public Safety	\$8,371,550	45.02%
General Government	\$2,809,423	15.11%
Highways & Public Improvements	\$2,302,712	12.38%
Community Development	\$690,233	3.71%
Lease Expense / Other	\$310,370	1.67%
Total	<u>\$18,596,701</u>	<u>100.00%</u>

2014 TOTAL EXPENDITURES



GENERAL FUND EXPENDITURES

Economic conditions continue to make it necessary to refine and improve city services and curtail some services.

The table below compares city staffing levels from its beginning to the staffing level planned for the 2014 budget. Staffing level in this chart is measured by daily full time equivalent (FTE). 1.00 FTE is an employee working eight hours per day and the count shown in the chart is the number of FTE's at the end of the fiscal year. The elected mayor and council are counted as one FTE each.

COTTONWOOD HEIGHTS EMPLOYEE STAFFING LEVELS SUMMARY

DEPARTMENT		2008 FTE	2009 FTE	2010 FTE	2011 FTE	2012 FTE	2013 FTE	2014 FTE
MAYOR & COUNCIL	GENERAL GOVERNMENT	5.00	5.00	5.00	5.00	5.00	5.00	5.00
CITY MANAGER'S OFFICE	GENERAL GOVERNMENT	3.25	2.50	2.50	2.25	3.25	3.50	2.50
FINANCE	GENERAL GOVERNMENT	2.64	1.50	2.25	3.00	3.00	3.00	3.00
DATA PROCESSING	GENERAL GOVERNMENT	0.25	0.00	0.00	0.00	0.00	0.00	0.00
TREASURER/BUDGET OFFICER	GENERAL GOVERNMENT	0.96	0.63	0.63	0.00	0.00	0.00	0.00
ADMINISTRATIVE SERVICES	GENERAL GOVERNMENT	2.00	4.14	4.14	4.86	4.86	5.14	5.38
BUSINESS LICENSING	GENERAL GOVERNMENT	1.00	1.00	1.00	0.00	0.00	0.00	0.00
PLANNING	COMM. & ECON. DEVEL.	4.50	4.50	3.15	4.00	4.54	4.54	5.17
PUBLIC WORKS	HIGHWAYS & PUB. IMPROV.	1.00	2.00	2.00	4.20	4.00	4.65	4.65
ORDINANCE ENFORCEMENT	PUBLIC SAFETY	3.00	2.00	2.00	2.00	2.00	2.00	2.00
POLICE	PUBLIC SAFETY	2.00	41.75	43.25	45.25	46.45	47.46	47.94
TOTAL EMPLOYEES		25.60	65.02	65.92	70.56	73.10	75.29	75.64

The planned position changes reflect minor adjustments to improve service, add efficiency, and allocate duties, while maintaining staff and where possible, reducing other areas to cover the costs.

A full position by position history and count of all positions can be found starting on page 246.

DEPARTMENT BY DEPARTMENT DESCRIPTION OF BUDGETED STAFFING CHANGES

Mayor and City Council

There are no personnel/staffing changes in the Mayor and City Council Office.

City Manager's Office

The Public Relations Specialist (1.00) was moved from the City Manager's Office to the Deputy City Manager/Administrative Services. There is no budget impact associated with this move.

Finance

There are no personnel/staffing changes in the Finance Department.

Administrative Services

The Office Assistant II (.63) was moved from Administrative Services to Community and Economic Development. This position is responsible for business licensing. There is no budget impact associated with this move.

The Public Relations Specialist (1.00) was moved to the Deputy City Manager/Administrative Services from the City Manager's Office. There is no budget impact associated with this move.

Community and Economic Development

The Office Assistant II (.63) was moved to Community and Economic Development from Administrative Services. This position is responsible for business licensing. There is no budget impact associated with this move.

Public Works

There are no personnel/staffing changes in the Public Works Department.

Police

A Police Records Clerk (.48) position will be added to support the evidence storage and inventory process. The budget impact is \$16,186.

Ordinance Enforcement

There are no personnel/staffing changes in Ordinance Enforcement.

DEPARTMENT BY DEPARTMENT DESCRIPTION OF SIGNIFICANT NON STAFFING BUDGET CHANGES

General Government

Mayor and City Council

Increases:

- Δ \$1,688 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$970 for State Legislature mandated change in retirement rates
- Δ \$121,205 for new and anticipated carryover allocations of Community Development Block Grant funding
- Δ \$11,702 for a contribution for temporary housing of the homeless
- Δ \$15,700 for property and casual insurance

Decreases:

- Δ -\$11,425 for one time funding of financial advisor services for police car lease
- Δ -\$10,594 for miscellaneous line item reductions

Legislative Committees and Special Bodies

Increases:

- Δ \$10,000 for annual city float that is entered in numerous parades
- Δ \$9,500 for hosting/sponsor contract with Cottonwood Heights Parks and Recreation Special Service Area
- Δ \$5,000 for miscellaneous Legislative Committees and Special Bodies line item changes

Decreases:

- Δ -\$10,000 for one time award received by the Youth City Council for winning the annual Utah League of Cities and Towns Constitution Bowl competition

Planning and Zoning Commission

- Δ \$1,241 for miscellaneous planning and zoning commission line item changes

City Court

- Δ \$3,000 for miscellaneous line item changes

City Manager

Increases:

- Δ \$2,358 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$2,653 for State Legislature mandated change in retirement rates
- Δ \$20,894 for rental contract for City Hall
- Δ \$8,000 for city sponsored hosting and appreciation events

Decreases:

- Δ -\$60,972 for Public Relations position moving to Administrative Services
- Δ -\$15,223 for miscellaneous line item changes

Emergency Management

Increases:

- Δ \$11,517 for professional and technical services line item

Decreases:

- Δ -\$4,372 for one time grant funded project

Information Technology (Data Processing)

Increases:

- Δ \$4,660 for software support contract changes

Decreases:

- Δ -\$41,060 for changes in the five year plan hardware and software needs

Finance

Increases:

- Δ \$4,350 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$400 implementation of a "Five Steps to Midpoint" compensation plan
- Δ \$1,548 for State Legislature mandated change in retirement rates
- Δ \$1,961 for Health Insurance Premium adjustments
- Δ \$2,293 for miscellaneous line item changes

Decreases:

- Δ -\$3,000 for reduction in travel and training line item

City Attorney

Increases:

- Δ \$3,246 for City Attorney contract adjustment

Decreases:

- Δ -\$10,000 for outside attorney consultatio

Administrative Services

Increases:

- Δ \$11,530 for 1.7% Cost of Living Adjustment (COLA) and discretionary adjustment
- Δ \$13,342 implementation of a "Five Steps to Midpoint" compensation plan
- Δ \$2,966 for State Legislature mandated change in retirement rates
- Δ \$2,455 for Health Insurance Premium adjustments
- Δ \$60,972 for Public Relations position moving from City Manager
- Δ \$3,000 for software line item
- Δ \$1,500 for subscriptions and memberships line item
- Δ \$5,582 for miscellaneous line item changes

Decreases:

- Δ -\$26,797 for Office Assistant II moving to Community and Economic Development

Election

Increases:

- Δ \$77,000 for election processing costs

Community and Economic Development

Planning

Increases:

- Δ \$14,686 for 1.7% Cost of Living Adjustment (COLA) and discretionary adjustment

- Δ \$2,480 implementation of a "Five Steps to Midpoint" compensation plan
- Δ \$2,433 for State Legislature mandated change in retirement rates
- Δ \$2,590 for Health Insurance Premium adjustments
- Δ \$26,797 for Office Assistant position moving from City Manager
- Δ \$3,710 for miscellaneous line item changes

Economic Development

Increases:

- Δ \$20,000 for economic development business owners program
- Δ \$2,000 for economic development school outreach program
- Δ \$10,000 for economic development banner program

Decreases:

- Δ -\$12,633 for miscellaneous line item changes

City Engineering

Increases:

- Δ \$35,000 for project engineering line item

Highways and Public Improvements

Public Works

Increases:

- Δ \$4,572 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$6,544 implementation of a "Five Steps to Midpoint" compensation plan
- Δ \$2,386 for State Legislature mandated change in retirement rates
- Δ \$2,245 for Health Insurance Premium adjustments
- Δ \$15,000 for sidewalk snow removal program
- Δ \$10,000 for light and power line item change
- Δ \$6,375 for gasoline and oil line item change
- Δ \$147,310 for storm drain maintenance line item changes

Decreases:

- Δ -\$301,446 for road maintenance line item changes
- Δ -\$25,015 for miscellaneous line item changes

Class C Roads

Decreases:

- Δ -\$48,500 for road maintenance line item changes

Public Safety

Ordinance Enforcement

Increases:

- Δ \$1,855 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$572 for State Legislature mandated change in retirement rates
- Δ \$870 for Health Insurance Premium adjustments
- Δ \$35,073 for miscellaneous line item changes

Decreases:

- Δ -\$25,000 for gasoline and oil line item changes

Fire

Increases:

- Δ \$209,750 for contractual adjustment with United Fire Authority
- Δ \$20,000 for E911 services line item
- Δ \$863 for fire hydrant repair and maintenance line item changes

Police

Increases:

- Δ \$52,349 for 1.7% Cost of Living Adjustment (COLA)
- Δ \$34,036 implementation of a "Five Steps to Midpoint" compensation plan
- Δ \$26,043 for Health Insurance Premium adjustments
- Δ \$16,186 for new Records Clerk part-time position
- Δ \$7,900 for contractual adjustment for City Hall rent
- Δ \$14,000 for GPS tracking software lease and support
- Δ \$20,000 for personal protective equipment replacement
- Δ \$20,000 for light duty police vehicle
- Δ \$4,433 for miscellaneous line item changes

Decreases:

- Δ -\$24,947 for dispatching services contract alignment to budget
- Δ -\$19,928 for one time grant overtime funds

DEBT SERVICE/LEASE EXPENSE /TRANSFERS AND OTHER EXPENDITURE BUDGET CHANGES

Police Vehicle Lease

Decreases:

- Δ -\$1,131,078 for one time lease proceeds for police vehicles line item change
- Δ -\$11,620 for adjustment for debt service payment line item change

Transfers

Decreases:

- Δ -\$157,353 Class C fund balance transfer to Capital Projects Fund
- Δ -\$433,070 General Fund transfer to Capital Projects Fund

CAPITAL PROJECTS FUND EXPENDITURES

There are two very specific long term planning processes providing information for the development of the capital expenditures included in this budget. In February, 2006, the City Council formally adopted the city's current Transportation Capital Facilities and Storm Water Capital Facilities Plans. These plans reflect the outcomes of studies conducted by independent engineers, of the City's existing transportation and storm water infrastructure and their recommendations regarding needed maintenance and improvements.

The Transportation Plan evaluated the condition and identified the need for improvements to all facets of transportation infrastructure including streets, sidewalks, street lights, bridges, pavement management, and related rehabilitation. This plan classified needed improvements into two categories: 1) those recommended in FY2007 through FY2010 and 2) those recommended in FY2011 through FY2030. To accomplish this plan the city would need to budget \$1.5 to \$1.75 million each year for the first five years following the plans adoption. Projected costs beyond five years were too uncertain to be useful. There is \$877,450 of Transportation Plan projects in the FY2014 Capital Project Fund budget.

The Storm Water Plan identified and classified recommended capital projects into three categories; 1) those recommended in FY2007 through FY2011 and; 2) those recommended in FY2012 through FY2016; and 3) those not needed within ten years, but should be planned long range. To accomplish this plan the City would need to budget \$550,000 to \$700,000 each year for the ten years. There is \$251,000 of Storm Water Plan projects in the FY2014 Capital Project Fund budget.

In addition to the \$1,128,450 of transportation and storm water projects mentioned previously is \$196,000 to complete the ramp connected to the east side of the Big Cottonwood Trail system. The budget also includes \$877,605 for a site related to Public Works, \$500,000 for Butler Middle School Auditorium, \$85,000 which is budgeted for emergency and small capital projects, and \$1,796,767 for a City Center and Park Development.

The General Fund will purchase small equipment and software, none of which is capitalized according to the city's capitalization policy. The Capital Project Fund projects are listed starting on page 237 and all of these projects are anticipated to have a one year timeline, meaning that they are all scheduled to be completed within one year. All of these projects budgeted in FY2014 are routine and none of them will impact operating expenditures in any material way. The city has no non-routine capital projects for FY2014. Some of these budgeted "projects" are activities conducted through the year such as "Pavement Management Program" where the budget is used throughout the year to overlay roads within the city.

FUND BALANCES

Utah Code Section 10-6-116 restricts the General Fund Balance from being used as a source to finance future expenditures unless the balance exceeds 5% of current (FY2013) total revenue. General Fund Balance may be accumulated until it exceeds 25% of total revenue and then the amount in excess of 25% must be appropriated to finance expenditures. City financial policy (**Fund Balance Policy**) provided for the city to accumulate the fund balance over several years until it reached 6% of total revenue and to use any fund balance in excess of 6% to finance future expenditures. At the end of FY2012 the 6% fund balance was equal to \$871,757. Of the total in excess of 6% of revenue (\$1,821,073), \$849,283 was budgeted in FY2013 as a source of funds to finance capital improvement projects. The FY2014 budget anticipates appropriating \$850,000 of the FY2013 remaining fund balance to finance the General Fund transfer to the Capital Improvements Fund.

In the Capital Projects Fund any unspent appropriations lapse into the ending fund balance and are re-budgeted in the succeeding year to complete projects. The FY2014 Capital Projects Fund budget includes \$3,653,822 of fund balance reappropriated.

EMPLOYEE BENEFITS FUND

Personnel policies allow employees to accrue amounts of paid time off (PTO) a proportion of which will eventually vest and be paid to the employee upon retirement or separation from employment. The city council desires to accumulate a fund as these benefits are earned by employees that will assure that there are funds available to satisfy this accrued obligation when it is due. Accordingly there has been created an Employee Benefits Fund (an Internal Service Fund) to which the General Fund will make payments as the PTO is accrued each year. This Employee Benefits Fund will accumulate the funds necessary to pay the PTO obligation when it is due. Included in this document is a budget for the Employee Benefits Fund. Utah law does not require that this budget be formally adopted.

